

DAILY REPORT

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LI PENG OPENS INTERNATIONAL EQUIPMENT SHOW

OW301848 Beijing XINHUA in English 1836 GMT 30 Mar 85

[Text] Beijing, March 30 (XINHUA) -- An exhibition of Chinese and foreign construction engineering technology, equipment and new building materials opened here today. Vice-Premier Li Peng cut the ribbon to open the exhibition and visited it with great interest.

According to the China Council for the Promotion of International Trade (CCPIT), the exhibition, covering an area of more than 15,000 square meters, is the largest of its kind in China since 1949.

Participating in the exhibition are 380 firms of Austria, Denmark, France, the Federal Republic of Germany, Hungary, Italy, Japan, the United States and Hong Kong, as well as 200 Chinese companies.

Technical seminars on 57 subjects will be held during the exhibition, which will close April 8.

HANGZHOU MEETING VIEWS PRC USE OF FOREIGN FUNDS

OW301714 Beijing XINHUA in English 1554 GMT 30 Mar 85

[Text] Hangzhou, March 30 (XINHUA) -- More than 40 Chinese and foreign economists, scholars and entrepreneurs shared their experience in absorbing and using foreign funds during a meeting which closed here today. Topics discussed at the six-day meeting included China's investment environment, the possible influence of foreign investment on China's economy and selection by the country of needed technology.

Ma Hong, president of Chinese Academy of Social Sciences, said that China will open to all countries willing to develop economic relations with it on the principle of mutual benefit.

Participants were from the United States, Britain, Japan, India and Venezuela other than China. [sentence as received] The meeting was sponsored by the Institute of World Economy and Politics of the Chinese Academy of Social Sciences and the Sloan School of Management of the Massachusetts Institute of Technology.

Abraham Siegel, president of the Sloan school, anticipated more exchanges and probes in the future.

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'REGRET' EXPRESSED AT U.S. POPULATION FUND CUT

OW031449 Beijing XINHUA in English 1434 GMT 3 Apr 85

["China 'Deeply Regrets' U.S. Axe on Population Fund" -- XINHUA headline]

[Text] Beijing, April 3 (XINHUA) -- A Chinese official expressed "deep regret" today at the decision by the U.S. Agency for International Development (AID) to slash its contribution to the U.N. Fund for Population Activities [UNFPA].

Last week, AID decided to reduce its contribution by 10 million U.S. dollars. This followed an earlier decision to postpone contributions after U.S. press reports alleging forced abortions in China.

Chinese State Family Planning Commission Minister Wang Wei told XINHUA here that it was now evident the move was aimed at China. He rejected the claims, and pointed out that the Chinese Government had clarified many times its policy on population and family planning.

Wang said: "We think every country should draw up a policy and strategy on population according to its own situation. This is a question of sovereignty, and conforms with the principles agreed at the international conference on population held in Mexico City last August."

He continued: "it is to be deeply regretted that the U.S. Administration, in defiance of the facts, has made this decision based on distorted reports and rumours in the American press."

Wang said it was "illogical" for AID to say on the one hand it was pleased that UNFPA's funds were not being used for abortions or to support compulsory family planning measures, while at the same time it was "obstinately" cutting its contribution.

NICARAGUA'S MILITARY THREAT TO U.S. QUESTIONED

OW021223 Beijing XINHUA in English 1153 GMT 2 Apr 85

["News Analysis: Nicaragua and the U.S. -- Who is Threatening Who? (by Bao Guangren)" -- XINHUA headline]

[Text] Washington, April 2 (XINHUA) -- A lobby campaign by the U.S. Administration to win congressional approval of a 14 million dollar aid program to Nicaraguan rebels has been stepped up since it was first introduced earlier this year, as the U.S. Congress prepares itself to debate renewed U.S. assistance at the beginning of this month.

Speaking at a press conference on February 21, President Ronald Reagan said that his objective was to "remove" the "present structure" of the government in Nicaragua if the Nicaraguan Government did not "say uncle." He also accused Nicaragua of building "a war machine" that "dwarfs the forces of all their neighbors combined." On March 25 he charged that in the last five years, the Soviets have provided more military assistance to Cuba and Nicaragua alone than the U.S. has provided to all of Latin America.

From what he said, one might get the impression that Nicaragua is not a small and underdeveloped country but a superpower capable of overwhelming its neighbors and even threatening the United States. But the facts reveal a different picture altogether.

According to statistics released by the U.S. Defense Department and Central American governments, Nicaragua, with a population of 2.812 million, has 40,000 regular troops and 20,000 civilian militia members now on active duty.

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But El Salvador's regular Armed Forces total 48,000. The U.S.-backed countries of El Salvador, Honduras and Guatemala have a combined total of 109,000 regular Armed Forces, 2.5 times that of Nicaragua's. They also have over 900,000 Civil Guards, police and other public security forces, nearly 47 times larger than Nicaragua's militia members now on active duty.

In 1984, Nicaragua's military budget was 250 million dollars, while El Salvador set aside 160 million dollars as its military budget, Honduras 100 million dollars and Guatemala 150 million dollars. The combined military spending of the later three, excluding U.S. Aid, was 1.6 times that of Nicaragua.

Nicaragua's Air Force is no match for its neighbors. Pentagon sources once noted that Nicaragua has no jet fighters or bombers or other modern combat aircraft, except about 10 sophisticated Soviet helicopter gunships. El Salvador has 59 combat planes, including U.S. A-37 jet fighters, 65 combat helicopters, and at least one C-47 gunship equipped with rapidfire machine guns.

Honduras has 12 French supermystere supersonic fighter-bombers, four F-86 fighter-bombers, 20 UH-1H helicopters and at least 50 more warplanes, including jet trainers. Guatemala has 19 combat planes and two combat helicopters.

U.S. officials have said that Nicaragua has 150 tanks and charged that these tanks constitute a threat to its neighbors. The fact is, all these tanks are 25 to 30 years old, which "couldn't survive against modern antitank weaponry," according to U.S. officials. Nicaragua also lacks fuel and an industrial structure for a sustained land war.

Even some Western military analysts have admitted that Nicaragua's military forces constitute no threat to other countries, much less to the security of the United States.

The truth is that Nicaragua is now subject to frequent military invasions by the U.S.-backed "contras". Moreover, since 1983, four military games have been held in Honduras. One of the central purposes, one U.S. official said, "is to create fear of an invasion" by deliberately pushing U.S. troops "very close to the border."

So, the so-called "threat" from Nicaragua seems but a pretext for the U.S. Administration to win congressional approval of the money it needs to support the Nicaraguan "contras" in their attempt to overthrow the Nicaraguan Government.

KANG SHIEN, U.S. BUSINESSMAN DISCUSS COOPERATION

OW300916 Beijing XINHUA in English 0717 GMT 30 Mar 85

[Text] Beijing, March 30 (XINHUA) -- Chinese State Councillor Kang Shien met here this morning with Edward Donley, chairman of Air Products and Chemicals Inc. of the United States, and his party. They exchanged views on expansion of bilateral technological cooperation.

GROMYKO SAYS USSR FAVORS SUMMIT WITH U.S.

OWO40712 Beijing XINHUA in English 0645 GMT 4 Apr 85

["Soviet Union Favors Summit Meeting With U.S., Says Gromyko" -- XINHUA headline]

[Text] Moscow, April 3 (XINHUA) -- Soviet Foreign Minister Andrey Gromyko indicated here today that his country is in favor of a summit meeting between Soviet Leader Mikhail Gorbachev and U.S. President Ronald Reagan.

Gromyko's comments, disclosed to reporters by Sean Brady, spokesman for visiting Canadian Foreign Minister Joe Clark, was the first word from Moscow on prospects for a Soviet-U.S. summit.

The Soviet foreign minister made it clear during talks with Clark today that Moscow and Washington are still far from agreeing on a date or location for the meeting, Brady said. "In principle yes, the idea of a meeting was probably a good idea at some point, but they certainly were nowhere near choosing a date or a venue," the spokesman said in a summary of Gromyko's remarks. Gromyko also emphasized that the Soviet Union favored a summit, but not a meeting for its own sake, Brady added.

On the same day, Gromyko said at a luncheon in honor of the Canadian foreign minister that the Soviet Union stands for the strict fulfillment of the agreement reached in January on the subject and objective of the Soviet-U.S. Geneva talks, adding that Moscow will not deviate from it. The Soviet stand should be clear to Washington, he added.

It was reported earlier this month that Reagan had received a positive response from Gorbachev to the American proposal for a summit meeting between the two leaders.

SINO-SOVIET PROTOCOL ON EDUCATION SIGNED

OWO41146 Beijing XINHUA in English 1134 GMT 4 Apr 85

["Sino-Soviet Protocol on Educational Cooperation Signed in Beijing" -- XINHUA headline]

[Text] Beijing, April 4 (XINHUA) -- A protocol on cooperation for 1985-1986 between the Chinese Ministry of Education and the Ministry of Higher and Secondary Specialized Education of the Soviet Union was signed here this afternoon.

Under the protocol, they will exchange college students and teachers at institutes of higher learning for teaching or carrying out research in each other's countries. They will also exchange higher and secondary specialized educational delegations and teachers of linguistics and literature to teach in each other's countries.

The protocol was signed by director of the Foreign Affairs Bureau of the Chinese Ministry Li Tao and Director of the Foreign Affairs Bureau of the Soviet Ministry Valeriy Nikolayevich Lenshin. Present at the signing ceremony were Chinese Minister of Education He Dongchang, and Soviet Ambassador to China I.S. Shcherbakov.

A delegation of the Soviet higher and secondary education led by Lenshin arrived here on March 28 at the invitation of the Chinese Ministry of Education. The delegation is scheduled to leave here for home tomorrow.

PRC TRANSPORT DELEGATION RETURNS FROM MOSCOW

OW031159 Beijing XINHUA Domestic Service in Chinese 1603 GMT 2 Apr 85

[Text] Beijing, 2 Apr (XINHUA) -- The Chinese Government transport delegation headed by Zhao Weichen, vice minister in charge of the State Economic Commission, returned to Beijing today.

During its stay in Moscow, the delegation discussed and signed minutes of talks with the Soviet delegation on issues regarding railway transport, sea transport, motor vehicle transport, and river transport of cargo in foreign trade between the two countries.

HEILONGJIANG DELEGATION RETURNS HOME FROM USSR

SK020151 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 1 Apr 85

[Text] After concluding its frontier trade talks with Far East areas of the Soviet Union, the Heilongjiang provincial frontier trade delegation returned to Harbin on 25 March.

In accordance with the stipulations of the summary of the talks on the 1985 mutual supply of goods signed in Mudanjiang, the two parties signed a contract on the import and export of some commodities at the frontier trade talks held in Nakhodka.

Our province will supply soybeans, frozen meat, apples, textiles, and light industry products to the Soviet Union. The Soviet Union will supply glass, cement, soda ash, chemical fertilizers, frozen fish, timbers, motorcycles, and refrigerators to our province. The sum involved in this contract increased by 13 percent compared to the business volume of the corresponding period of last year.

The two parties also studied the issue on further developing frontier trade at the trade talks.

CORRECTION TO COMMENTARY ON SOVIET 'FREEZE' PROPOSAL

The following correction to the item headlined "Commentary Views Soviet 'Freeze' Proposal," published in the 3 April China DAILY REPORT on page C 1, is supplied by XINHUA in English at 0054 GMT on 4 April:

Second paragraph, line six reads: ...Soviet Union stops strengthening its counter-measures. This... (substituting "strengthening" for "to strengthen")

CHEN MUHUA MEETS JAPANESE DELEGATION 3 APR

OW031142 Beijing XINHUA in English 0906 GMT 3 Apr 85

[Text] Beijing, April 3 (XINHUA) -- State Councillor Chen Muhua met here this afternoon with a delegation from the Tokyo Marine and Fire Insurance Co. Ltd of Japan led by its General Manager Haruo Takeda.

J1 PENGFEI MEETS JAPANESE DELEGATION 4 APR

OW041044 Beijing XINHUA in English 1031 GMT 4 Apr 85

[Text] Beijing, April 4 (XINHUA) -- Chinese State Councillor Ji Pengfei met and had a friendly talk with a goodwill delegation from Kagawa Prefecture, Japan, led by its Governor Tadao Maekawa in the Great Hall of the People here this afternoon.

CPPCC VICE CHAIRMAN MEETS JAPANESE DELEGATION

OW031146 Beijing XINHUA in English 0904 GMT 3 Apr 85

[Text] Beijing, April 3 (XINHUA) -- Zhao Puchu, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, today met a goodwill delegation from four prefectures in Shikoku, Japan.

The leader of the delegation is Bansei Ishimizu, chairman of the prefectures' Japan-China Friendship Association.

The delegation, which has been invited to China by local authorities in Xian, will present the Shaanxi's provincial capital with 1,000 Japanese cherry saplings at a ceremony there on Friday. During today's meeting at Beijing's Great Hall of the People, Zhao presented the delegation with a poem as thanks for the gift.

ZHU MUZHI MARKS JAPANESE EXPERT'S BIRTHDAY

OW011811 Beijing XINHUA in English 1631 GMT 1 Apr 85

[Text] Beijing, April 1 (XINHUA) -- A party was held here this evening to mark the 77th birthday of foreign expert Tatsuko Yokokawa. Now employed by the Foreign Languages Press, Yokokawa has worked in China for the past 40 years.

Attending the celebration were Chinese Minister of Culture Zhu Muzhi, advisor to the International Liaison Department of the Chinese Communist Party Central Committee Zhang Xiangshan and other foreign experts working in Beijing.

Mrs Yokokawa and her husband came to China in 1936. Since 1960, she has worked as an editor of publications including PEOPLE'S CHINA, PEOPLE'S PICTORIAL and the Foreign Languages Press.

JIANGSU FRIENDSHIP DELEGATION LEAVES FOR JAPAN

OW020639 Nanjing XINHUA RIBAO in Chinese 18 Mar 85 p 1

[Text] At the invitation of Japan's Aichi Prefectural Government, the Jiangsu provincial friendship delegation with Zhang Xuwu as its leader and Shen Daren as its deputy leader left Nanjing via Shanghai by train on the morning of 17 March for a friendly visit to Aichi Prefecture. Members of the delegation are Luo Yunlai, Chen Ketian, and Su Cenhua.

During its stay in Japan, the Jiangsu provincial friendship delegation will attend celebration activities marking the fifth anniversary of the establishment of friendly ties between Shanghai and Aichi Prefecture, attend the opening ceremony of the Jiangsu provincial pavilion at the World Import Commodity Exposition in Nagoya City, and participate in activities marking the 30th anniversary of the Tokai General Administration of the Japanese Association for Promoting International Trade.

To show the friendly affection of the people of Aichi Prefecture for the people of Jiangsu, the Aichi Prefectural Government has set up a special Jiangsu friendship pavilion at the exposition where documents, photos, and real objects will be exhibited to introduce Jiangsu's situation in economic development, science and technology, culture and education, foreign trade, tourism, and other fields.

Bidding farewell at the railway station were provincial Governor Gu Xiulian and responsible persons of departments concerned.

A delegation of the Jiangsu provincial friendship pavilion to attend the World Import Commodity Exposition has been formed with Li Zhizhong as its leader. It will leave Nanjing for Japan in early April to handle matters related to the friendship pavilion.

DPRK ARMY BASKETBALL DELEGATION VISITS JIANGSU

OW010348 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 31 Mar 85

[Text] A Korean People's Army [KPA] basketball delegation is about conclude friendly matches and sightseeing in Jiangsu. Prior to departure, Colonel (Choi Yang-sun), head of the delegation, said: Our visit and matches here have enabled us to see Jiangsu's achievements in socialist modernization. As friends of the Chinese people, we are very happy about these achievements.

The KPA basketball delegation arrived in Nanjing on 25 March. During its stay in Nanjing the KPA men's and women's basketball teams played friendly matches with the Nanjing Military Region men's and women's basketball teams, the Jiangsu men's basketball team, the Chengdu Military Region's women's basketball team, and the Shenyang Military Region men's and women's basketball teams.

The Korean delegation made a special sightseeing trip to Yangzhou 30 March. The delegation given a warm welcome by responsible comrades of the Yangzhou Military subdistrict. The Korean comrades in arms returned to Nanjing this afternoon. They will leave Nanjing for a visit to Shenyang tomorrow.

FOREIGN MINISTRY SPOKESMAN ON SRV TROOP WITHDRAWAL

HK041032 Hong Kong AFP in English 1012 GMT 4 Apr 85

[Text] Beijing, April 4 (AFP) -- China today called Vietnam's announcement it would withdraw 15,000 Vietnamese troops from Cambodia a "trick."

"Judging from what Vietnam has been doing recently, it has no sincerity at all to withdraw all its troops from Cambodia," a Foreign Ministry spokesman said on the announcement yesterday by the Cambodian news agency SPK.

"It is another trick," the spokesman said.

SPK said that the withdrawal had begun and that it was Vietnam's fourth and largest partial withdrawal since Vietnamese troops entered Cambodia in December 1978. They ousted the Pol Pot government soon after.

China has dismissed past announcements of Vietnamese troop withdrawals as tricks also. Western diplomats have said these operations were troops rotations rather than withdrawals.

Western observers have estimated the number of Vietnamese troops, who are fighting resistance guerrillas, at 150,000-170,000.

China last month deemed a Vietnamese announcement of an impending withdrawal as a "farce." "If the words were really true, so far at least 30,000 Vietnamese soldiers would have been pulled out," a NEW CHINA NEWS AGENCY (NCNA) commentary said.

JI PENGFEI FETES BURMESE, THAI AMBASSADORS

OW040220 Beijing XINHUA Domestic Service in Chinese 1608 GMT 3 Apr 85

[Text] Beijing, 3 Apr (XINHUA) -- Entrusted by President Li Xiannian, State Councillor Ji Pengfei gave a banquet at the Diaoyutai State Guesthouse this evening in honor of the Burmese and Thai ambassadors to China and members of their embassies. The banquet was held as an expression of gratitude to the Burmese and Thai Governments and peoples for the warm hospitality they had accorded President Li Xiannian during his visit to the two countries.

OFFICIALS RECEIVE HONG KONG CATHOLIC BISHOP

HK270430 Beijing ZHONGGUO XINWEN SHE in Chinese 1416 GMT 26 Mar 85

["Jiang Ping, Deputy Director of the United Front Work Department of the CPC Central Committee, and Ren Wuzhi, Acting Director of the State Council's Bureau of Religious Affairs, Meet the Catholic Bishop of Hong Kong, John Baptist Wu, and His Entourage" -- ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 26 Mar (ZHONGGUO XINWEN SHE) -- Jiang Ping, deputy director of the United Front Work Department of the CPC Central Committee, and Ren Wuzhi, acting director of the State Council's Bureau of Religious Affairs, separately met John Baptist Wu, the Roman Catholic bishop of Hong Kong, and five members of his delegation this afternoon.

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At the meeting Jiang Ping said: The United Front Work Department is pleased to host you, and hopes that there will be more such visits in the future. Our policy during the period of the war of resistance against Japan was that those who were in favor of resisting Japanese aggression were encouraged to form a broad united front regardless of race, class, or religious belief. Many Catholics and Christians did much work in winning victory in the resistance war. Our country has now entered a stage of national renewal. Our important task at present is to build the country and achieve the reunification of the motherland. The realization of the "one country, two systems" concept similarly calls for the formation of a broad united front.

We are ready to listen to opinions from all quarters concerned, and let us work together and make contributions for the rejuvenation of the country and the reunification of the motherland.

At the meeting, Acting Director Ren Wuzhi briefed Bishop Wu and his entourage on the policy concerning freedom of religious belief and on the country's current political and economic situation. Bishop Wu and his entourage also familiarized their hosts with their work in the educational, medical, and social welfare fields and expressed the willingness to do their part in realizing the country's four modernizations program, promoting the establishment of "transport, trade, and postal relations" among people on both sides of the Taiwan Strait, and in achieving the reunification of the motherland.

At the invitation of the State Council's Bureau of Religious Affairs, the 5-member delegation arrived in Beijing from Hong Kong on the afternoon of 25 March. The delegation is composed of John Wu, the Catholic Bishop of Hong Kong; Father Michael Yeung, director of the Catholic Social Communications Office and Spokesman of the Hong Kong Catholic Diocese; Dr John Cheng, vice-chairman of the Hong Kong Catholic Board of Education and president of Lingnan College; Miss Joyce Chang, member of the board of and concurrently social work secretary of Caritas Hong Kong; and Father John Tong, director of the Holy Spirit Center and the editor in chief of the Catholic bimonthly DING [VESSEL].

Bishop Wu left the mainland in 1946 and lived in Taiwan for 18 years. This is his first visit to Beijing since he left the mainland.

In the evening, the State Council's Bureau of Religious Affairs gave a banquet at the Hepingmen roast duck restaurant in honor of Bishop Wu and his entourage.

GUANGZHOU-HONG KONG BUS SERVICE BEGINS 1 APR

OW011950 Beijing XINHUA in English 1857 GMT 1 Apr 85

[Text] Guangzhou, April 1 (XINHUA) -- Direct bus services from Guangzhou to Hong Kong were inaugurated today.

Two air-conditioned buses are now making the four-and-a-half trip each day. The number will double soon, officials said.

GUANGDONG, HONG KONG TO BOOST TELEPHONE SERVICE

OW030110 Beijing XINHUA in English 1634 GMT 2 Apr 85

[Text] Hong Kong, April 2 (XINHUA) -- Guangdong Province and Hong Kong will cooperate in the development of semi-automatic telephone dialing facilities under an agreement signed here today.

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The deal was concluded by the Guangdong Posts and Telecommunications Administrative Bureau (GPTB) and Cable and Wireless Ltd. of Hong Kong.

Scheduled for completion in six months, the project will benefit ten cities in the Pearl River delta including Haikou, Zhanjiang, Zhongshan, Foshan and Shantou.

"The installation of semi-automatic dialing facilities in ten Guangdong cities is a timely interim measure to facilitate telephone traffic from the ten cities in Guangdong to Hong Kong, before the Pearl River Delta Digital project comes into service in mid-1986 to meet the ever-increasing demand," said Cable and Wireless Managing Director Mike Gale.

Semi-automatic dialing to Hong Kong is already available in Guangzhou, Zhuhai and Shenzhen.

"In the past few years," Gale said, "Cable and Wireless, in cooperation with GPTB, has undertaken several development projects to enhance telecommunications facilities between Hong Kong and Guangdong Province."

Some of these he added, like the Guangzhou-Hong Kong microwave system and a long-distance tandem exchange project, had been completed and were already in service.

Cable and Wireless and GPTB also held preliminary discussions on a Guangzhou-Hong Kong optical fiber cable system costing an estimated six million U.S. dollars.

HONG KONG STOCK MARKET CONTINUES STRONG

OW030108 Beijing XINHUA in English 1630 GMT 2 Apr 85

[Text] Hong Kong, April 2 (XINHUA) -- The Hong Kong stock market continued to go strong in the first quarter of this year, with local investment fast expanding and overseas funds streaming in steadily.

This is sign of confidence on the part of big consortiums in the future of the territory, a local official said.

The volume of trading on the stock market reached more than 22.6 billion Hong Kong dollars over the three months -- nearly double that of the previous quarter, and the highest since the third quarter of 1981.

Of the major share-purchasing deals, the Arab Banking Corporation bought up shares in the Sun Hung Kai Bank, and the Hong Kong Kowloon Wharf and Godown Company bought Wheelock Shipping Company shares. The total amount of funds involved in the purchase is estimated to have exceeded six billion Hong Kong dollars. The size of investment and the number of Chinese and foreign financial groups involved were rarely seen in recent years, the official said.

Share prices closed sharply higher in increased trading at the end of March, marking the eighth month of consecutive rise.

Market experts attribute the brisk stock market to the fact that Chinese and foreign financial groups want to develop markets on the Chinese mainland using Hong Kong as a foothold.

PRC ENVOY IN NEW DELHI MARKS SINO-INDIAN TIES

OW012027 Beijing XINHUA in English 1954 GMT 1 Apr 85

[Text] New Delhi, April 1 (XINHUA) -- Chinese Ambassador Li Lianqing gave a banquet tonight at the embassy here to mark the 35th anniversary of the establishment of Sino-Indian diplomatic relations. Among the more than 60 people present on the occasion were Khursheed Alam Khan, minister of state for external affairs, K.R. Narayanan, minister of state for planning, M.M.K. Wali, lieutenant governor of the Delhi administration, and M.S. Sathi, mayor of Delhi.

Speaking at the banquet the Chinese ambassador recalled that "thirty-five years ago, we two most populous nations formally established diplomatic ties, which not only opened a new page in the amicable Sino-Indian relationship but also made a strong impact on the situation in Asia and the rest of the world. In recent years, marked improvement and progress have been registered in our bilateral relations. We have held five rounds of talks on the boundary issue in a friendly and frank atmosphere, through which our mutual understanding has been deepened. We are convinced that so long as our two sides follow the principle of mutual understanding and mutual accommodation, we can eventually find a solution to the satisfaction of and acceptable to both sides." He continued, "Not long ago, both Chinese Premier Zhao Ziyang and Indian Prime Minister Rajiv Gandhi observed that Sino-Indian relations should be restored to the 1950s level, or even better. These remarks give expression to the common desire of the Chinese and Indian peoples. We are ready to work with our Indian friends to reach this goal."

In reply, the Indian minister of state for external affairs said that "the thirty-fifth anniversary of the establishment of diplomatic relations between India and China is a significant one in the bilateral relationship of our two countries. Together, India and China represent two-fifths of the population of our planet, and together we have shared common goals to economy, so the two countries can play important role, in international affairs." [sentence as received]

Commending Sino-India friendship and cooperation, he said that "during the 1950's, the two countries enjoyed exemplary relations. They both jointly formulated the Five Principles of Peaceful Co-existence, whose relevance has not lessened or diminished with the passage of time."

On the boundary issues he said that "India continues to look towards the future with firm determination to try and resolve the differences which have arisen between us. I have no doubt that with sincerity and understanding we can achieve these goals." He said that "China and India may have divergent social systems, but we have a common goal in maintaining world peace because only then can we ensure the necessary environment for modernizing our national economy."

INDIAN ENVOY PRESENTS CREDENTIALS TO LI XIANNIAN

BK290417 Delhi Domestic Service in English 0240 GMT 29 Mar 85

[Text] The new Indian ambassador, Mr K.P.S. Menon, presented his credentials to the Chinese president, Mr Li Xiannian, in Beijing yesterday. He said the prime minister, Mr Rajiv Gandhi, and other Indian leaders desire to improve relations with China. Mr Menon said the border issue was the only problem between the two countries.

The Chinese president, Mr Li, said the two neighboring countries had no real conflict of interest between them. He added that the border problem could be resolved if both countries followed the principles of mutual understanding.

FRG'S HESSE STATE TO ESTABLISH TIES WITH JIANGXI

OWO21747 Beijing XINHUA in English 1713 GMT 2 Apr 85

[Text] Beijing, April 2 (XINHUA) -- Li Yimang, president of the Association for International Understanding of China, said here today that China and the Federal Republic of Germany could conduct cooperation in many fields.

Li was speaking at a dinner in honor of a delegation of the Friedrich Ebert Foundation led by Holger Boerner, deputy chairman of the foundation, member of the presidium of the Federal Council of the Social Democratic Party of Germany and prime minister of Hesse State, here this evening. Li said that friendly relations and cooperation between his association and the foundation had been getting closer and closer since 1982 when contacts began.

Boerner said that although Federal Germany and China had different social systems, they shared a common task of safeguarding world peace. He regarded China's current economic reform as "very effective" and wished it greater success.

Present at the dinner were Minister of the Federal German Embassy in Beijing Dieter Gescher and Zhao Zengyi, governor of Jiangxi Province which will establish friendly ties with Hesse State. The delegation arrived here yesterday at the invitation of the Association for International Understanding of China.

Protocol Signed

OWO31435 Beijing XINHUA in English 1330 GMT 3 Apr 85

[Text] Beijing, April 3 (XINHUA) -- A protocol on the establishment of cooperative ties between China's Jiangxi Province and the Hesse State of the Federal Republic of Germany was signed here this afternoon.

The protocol says the two sides agree to undertake exchanges and cooperation in economy, trade, culture, education, science, technology and other fields of common interest to promote mutual understanding and friendship under the principles of peace, friendship, equality and mutual benefit.

Governor of Jiangxi Province Zhao Zengyi and the visiting prime minister of Hesse State Holger Boerner signed the agreement. Attending the signing ceremony were Deputy Governor of Jiangxi Province Liang Kaixuan and a delegation of the Friedrich Ebert Foundation led by Boerner.

LI PENG MEETS SWEDISH TRADE DELEGATION

OWO21950 Beijing XINHUA in English 1614 GMT 2 Apr 85

[Text] Beijing, April 2 (XINHUA) -- Vice-Premier Li Peng met here this afternoon Tom Wachtmeister, president of Atlas Copco and chairman of the Sweden-China Trade Council, and his party. They exchanged views on trade and economic cooperation between the two countries.

Atlas Copco, one of the largest Swedish companies, has been trading with China since 1962. Its major products include mining equipment, rock drilling rigs and construction machines.

Wachtmeister came here yesterday at the invitation of the China National Machinery Import and Export Corporation. He presided over a reception here later today marking the opening of the company's Beijing office and a center to supply parts of its products.

POLAND'S OBODOWSKI VISITS SHENZHEN ECONOMIC ZONE

OW031949 Beijing XINHUA in English 1602 GMT 3 Apr 85

[Text] Shenzhen, April 3 (XINHUA) -- Janusz Obodowski, vice-chairman of the Polish Council of Ministers today said that the setting up of special economic zones in China was a very interesting experiment. He described it as a "wise method" for Shenzhen, one of the special economic zones in China, to introduce advanced techniques and funds from other countries to speed up its economic development. He said that Poland was also seeking a more effective and faster way to develop its national economy.

Obodowski and his party arrived here from Guangzhou yesterday afternoon. They were guests of honor at a dinner party given yesterday evening by Vice Mayor of Shenzhen Zhou Ding in the name of Mayor Liang Xiang, who is now in Beijing.

They visited the Shekou industrial district and several joint-ventures here, including an electronics company, a printing mill and a plastic factory, and a new village of fisherman.

The visitors will leave for Beijing from Guangzhou tomorrow.

NPC DELEGATION TO VISIT YUGOSLAVIA, ROMANIA

SFRY Spokesman on Visit

OW030320 Beijing XINHUA in English 0235 GMT 3 Apr 85

[Text] Belgrade, April 2 (XINHUA) -- The coming visit by a delegation of the Chinese National People's Congress led by Geng Biao, vice-chairman of the congress's Standing Committee, to Yugoslavia, "will make new contributions to the smooth development of overall bilateral cooperation of the two countries and to the reinforcement of friendship and understanding between the Yugoslav and Chinese peoples."

Zelko Jeglic, spokesman of Yugoslav Foreign Ministry, said today that the delegation's visit from April 3 to 10 will "continue the traditional, successful and lasting cooperation between the Yugoslav Federal Assembly and the Chinese National People's Congress."

During the visit, both sides will discuss issues of social-economic development of the two countries, continuance of bilateral cooperation and cooperation between the Yugoslav Federal Assembly and the Chinese People's Congress, Jeglic said. He said that they will also exchange views on international situation and important problems of the present-day international political and economic relations.

This is the third time that China sent a NPC delegation to visit Yugoslavia.

Delegation Departs

OW030324 Beijing XINHUA in English 0308 GMT 3 Apr 85

[Text] Beijing, April 3 (XINHUA) -- A delegation from China's National People's Congress led by Vice-Chairman Geng Biao of its Standing Committee left here this morning for Yugoslavia and Romania.

The delegation will be guest of the Yugoslav Assembly and the Grand National Assembly of Romania.

Vice-Chairman Han Xianchu of the NPC Standing Committee, Romanian Ambassador to China Angelo Miculescu and the minister-counsellor of the Yugoslav Embassy here, Svetozar Tomic, saw the delegation off at the airport.

Delegation Arrives in Belgrade

OW040252 Beijing XINHUA in English 0218 GMT 4 Apr 85

[Text] Belgrade, April 3 (XINHUA) -- A delegation of the Chinese National People's Congress led by Geng Biao, vice-chairman of the NPC Standing Committee, arrived here today for a ten-day visit at the invitation of the Yugoslav Federal Assembly.

The delegation was met at the airport by Nusa Kersevan, vice-president of the Yugoslav Federal Assembly, Iso Njegovan, president of the Yugoslav Branch of the Inter-Parliamentary Union, and Milan Jonovski, secretary-general of the Yugoslav Federal Assembly. Chinese Ambassador in Belgrade Xie Li was also present.

The delegation will discuss bilateral relations and international affairs with Yugoslav leaders, and visit the Macedonia, Croatia and Slovenia Republics.

This is third visit by a Chinese NPC delegation to Yugoslavia since the establishment of diplomatic relations between the two countries 30 years ago.

WANG RENZHONG AT HUNGARIAN LIBERATION DAY CELEBRATION

OW031840 Beijing XINHUA in English 1633 GMT 3 Apr 85

[Text] Beijing, April 3 (XINHUA) -- A reception in celebration of the 40th anniversary of the liberation of Hungary was held by the Chinese People's Association for Friendship With Foreign Countries here this afternoon.

Among those present were Wang Renzhong, vice-chairman of the Standing Committee of the National People's Congress, Liu Yi, minister of commerce, and Qian Qichen, vice-minister of foreign affairs.

Vice-President of the Association Chu Tunar and Hungarian Ambassador to China Laszlo Ivan spoke at the reception. Chu spoke highly of the achievements scored by the Hungarian people under the leadership of the Socialist Workers Party. He said that relations between the two countries had made gratifying progress in recent years. Development of such relations reflected the desire of the two peoples and was in conformity with their basic interests, he added. Chu expressed his conviction that the Sino-Hungarian friendly relations and cooperation on the basis of equality, mutual benefit and mutual respect would get closer and closer with each passing day. Ivan said that his country attached great importance to the friendship and relations of mutual respect between the two countries. The 13th National Congress of the Hungarian Socialist Workers Party held recently gave a positive appraisal of the relations. The rapid development of the bilateral relations, the ambassador said, showed there existed good foundations for furthering the friendship and contacts in various fields between the two countries.

TARIQ 'AZIZ, ARAB LEAGUE GROUP ARRIVE 3 APR

Wu Xueqian Welcomes Delegation

OW031926 Beijing XINHUA in English 1837 GMT 3 Apr 85

[Text] Beijing, April 3 (XINHUA) -- Chinese Foreign Minister Wu Xueqian said here today that the Chinese Government appreciated the unremitting efforts made by the League of Arab States to end the Iran-Iraq war.

Wu who is also a state councillor, said that China also wished to make every effort for that purpose. He was speaking at a welcoming dinner he gave in honor of a delegation of the committee of seven member-states of the league headed by its Secretary-General Chedli Klibi. The delegation arrived here this afternoon.

The foreign minister said that the delegation had come to inform China of the new development of the Iraq-Iran war and exchange views with the Chinese side on what could be done to help and end it, as well as on issues of common concern. That showed the Arab countries' trust in and friendly feelings to China, Wu said.

He noted that the recent escalation of the Iraq-Iran war now in its fifth year had aroused concern and worries of the Chinese People and the world as a whole.

He hoped the Governments of Iraq and Iran would adopt a policy of restraint proceeding from the basic interests of the two peoples, the security of the Gulf region and world peace. He also hoped the two governments would comply with the agreement they reached last June on not attacking civilian targets so as to prevent the situation from further worsening, and realize as soon as possible the armistice through peaceful negotiations and re-establish friendly and good-neighborly relations between the two countries.

Klibi said that his delegation was on a peace mission entrusted by the League of Arab States. He described the long and friendly relations between the Arab nations and China as an important factor to safeguard peace and stability in their region.

He praised China for its efforts towards peace in every part of the world. He expressed his hope that as a permanent member of the Security Council of the United Nations, China would contribute to an early ending of the Iraq-Iran war.

Advisor to the Ministry of Foreign Affairs Gong Dafei was present.

The committee of seven member-states consists of foreign ministers of Saudi Arabia, Kuwait, Iraq, Jordan, the Yemen Arab Republic, Tunisia and Morocco and Secretary-General Klibi. The members of the delegation include Tariq 'Aziz, Iraqi deputy prime minister and foreign minister, and diplomatic envoys of some of its member states to China.

Wu Talks With Delegation

OW040850 Beijing XINHUA in English 0835 GMT 4 Apr 85

[Text] Beijing, April 4 (XINHUA) -- Chinese Foreign Minister Wu Xueqian expressed the hope here today that Iraq and Iran would stop their war for the sake of Third World unity and world peace.

Wu, who is also a state councillor, made these remarks during his talks here this morning with a delegation from the committee of seven member-states of the League of Arab States headed by the league's Secretary General Chedli Klibi.

Klibi briefed the Chinese foreign minister on the position of the Arab states and Iraq on the Iran-Iraq war and their demand that the war be ended through peaceful means. The Arab states, Klibi said, feared that the war would lead to foreign intervention in the region. Possible spreading of the war to other Gulf states would result in greater disasters and have a serious impact on world economic development. "We hope that the war will not turn this region into an area of international conflict," he added.

He called on the U.N. Security Council to adopt a resolution to help Iran and Iraq stop their fighting and settle their disputes through peaceful negotiations in accordance with international law. He hoped to see a thorough implementation of such a resolution.

In his reply, Wu said that both Iraq and Iran were Third World countries friendly to China. China hoped for an end to the war.

Third World countries should strengthen their unity to oppose their common enemies and devote their efforts to creating a lasting, peaceful environment in order to better develop their economies and improve the lives of their people, according to Wu.

The Chinese foreign minister reiterated China's neutral stand on the Iran-Iraq war and pledged to continue it. "We sincerely hope that Iran and Iraq can settle their disputes through peaceful negotiations instead of war. We also support the mediation efforts of various international organizations aimed at ending the Iran-Iraq war," he added.

Wu Meets Tariq 'Aziz

OW041048 Beijing XINHUA in English 1032 GMT 4 Apr 85

[Text] Beijing, April 4 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian met Iraqi Deputy Prime Minister and Foreign Minister Tariq 'Aziz at the state guest house here this afternoon.

During the meeting they expressed the hope for further development of friendly relations and cooperation between the two countries. Present on the occasion were Assistant Foreign Minister Zhou Jue, and Iraqi Ambassador to China Rashid M. S. al-Rifai.

HU YAOBANG, YANG JINGREN MEET VISITING SUDANESE

OW031601 Beijing XINHUA in English 1503 GMT 3 Apr 85

[Text] Beijing, April 3 (XINHUA) -- Chinese Communist Party General Secretary Hu Yaobang today called for international concern over the drought and economic development problems currently facing the African countries.

Speaking at a meeting with a Sudanese Socialist Union delegation here this afternoon, Hu said the Chinese Government would supply more grain to the Sudan. The delegation is led by the union's Secretary General Muhammad 'Abd al-Gadir 'Umar. "Helping other Third World countries helps our own development in the end," Hu said. Without aiding the developing countries, the developed nations could not achieve further progress, he added.

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Hu noted that the developed countries should have a farsighted and correct attitude towards those problems, while at the same time the African countries should develop their economies by relying on their own governments and people.

Natural calamities had hit 34 African countries and were now affecting 150 million people, he said. "China is still a poor country, but she is willing to help those countries with difficulties," Hu continued.

Maintaining that the drought and economic problems facing the Sudan and other African countries had their roots in colonialism, Hu said that the Chinese Communist Party and government had always called for world peace and economic development. "These two are inseparable," he said.

Economic development was beneficial to peace, while realising peace was the aim of development, he added.

Expressing his gratitude for China's aid to the Sudan, 'Umar said his country was facing many difficulties, but those could be overcome through self-reliance and the help of sincere friends.

Also present at today's meeting was Qian Liren, head of the International Liaison Department of the C.P.C. Central Committee.

This morning, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference Yang Jingren met the delegation and exchanged views on religious and ethnic minority issues.

ZHENG TUOBIN AT GUINEAN ENVOY'S RECEPTION

OW031302 Beijing XINHUA in English 1258 GMT 3 Apr 85

[Text] Beijing, April 3 (XINHUA) -- Guinean Ambassador to China Fode Djibril Camara gave a reception here this afternoon in celebration of the first anniversary of the founding of the second Republic of Guinea.

Among those attending the reception were Zheng Tuobin, minister of foreign economic relations and trade, and Gong Dafei, advisor to the Ministry of Foreign Affairs.

CPC DELEGATION ATTENDS MALIAN PARTY CONGRESS

OW011045 Beijing XINHUA in English 0903 GMT 1 Apr 85

[Text] Bamako, March 31 (XINHUA) -- The four-day-long second national congress of the Malian People's Democratic Union closed here today after re-electing Moussa Traore as general secretary and Amadou Bab Diarra as vice general secretary.

The congress voted to set up a national food supply fund and appealed to the international community to continue to help Mali, one of the most serious drought-stricken countries of Africa. The congress called on its subordinate bodies at various levels and other democratic organizations of double their efforts to support the country's development program. It also decided to continue the nation's economic reform, so as to establish an independent, planned economy. The congress called for an end to the fratricidal Iran-Iraq war and supported the resolutions by the Organization of African Unity on the conflicts of Sahara and Chad.

Delegations from 45 countries and liberation movements attended the congress, including a Chinese delegation headed by Jiang Guanghua. Jiang read a congratulation message on the opening ceremony on behalf of the Central Committee of the Chinese Communist Party.

Leaves Mali

OW030106 Beijing XINHUA in English 1622 GMT 2 Apr 85

[Text] Bamako, April 1 (XINHUA) -- The deputy general secretary of the Malian People's Democratic Union, Amadou Bab Diarra, received the Chinese Communist Party (CPC) delegation led by Jiang Guanghua, vice-minister of the ministry of the International Liaison Department of the CPC Central Committee, here today.

In their cordial conversation, Diarra expressed pleasure to have a Chinese delegation at the union's second congress. He said that he was satisfied with the many-sided and fruitful relations between the two countries and parties.

Jiang Guanghua congratulated him on the success of the congress and wished that the union would attain the objectives set by the congress. He delivered to Diarra a message of greetings from the General Secretary of the CPC Central Committee, Hu Yaobang.

The delegation was also received by the president of the Malian National Assembly, Mady Sangare. It left here this afternoon to visit some other African countries.

CHARGE SIGNS PROTOCOL ON MEDICAL AID TO CONGO

OW022132 Beijing XINHUA in English 1656 GMT 2 Apr 85

[Text] Brazzaville, April 2 (XINHUA) -- China will continue to send medical teams to Congo under a protocol signed here today.

The protocol, which went into effect on January 1 and will last two years, stipulated that China would send a forty-member medical team to this country.

The protocol was signed by Qian Xizhi, charge d'affaires ad interim of the Chinese Embassy, and Abel Wilson Ndessabeka, secretary general of the Congolese Ministry of Cooperation.

Since 1967, China has sent to Congo eight batches of medical teams. The ninth batch is now working at four hospitals in this country.

FURTHER COVERAGE OF 3D SESSION OF 6TH NPC

Plenary Meeting Held

OW040520 Beijing XINHUA Domestic Service in Chinese 1435 GMT 3 Apr 85

[Text] Beijing, 3 Apr (XINHUA) -- The Third Plenary meeting of the Third Session of the Sixth NPC was held this afternoon in the Great Hall of the People. The meeting heard explanations and reports from Wu Xueqian, Wang Hanbin, Chen Pixian, Zheng Tianxiang, and Yang Yichen according to the relevant agenda. At 1500, Vice Chairman Peng Chong, who is an executive chairman of the session, declared the opening of the meeting, which was attended by 2,644 deputies.

Entrusted by the State Council, State Councillor and Foreign Minister Wu Xueqian made an explanation of the proposal requesting examination and approval of the Joint Declaration of the Government of the People's Republic of China and the Government of the United Kingdom of Great Britain and Northern Ireland on the Hong Kong Issue. After reviewing the initialing and official signing of the joint declaration and the process of examination and discussion of the document by the NPC Standing Committee, he said: The joint declaration has affirmed that the People's Republic of China will recover Hong Kong and resume exercising sovereignty over it on 1 July 1997, and it has taken relevant measures to maintain stability and prosperity in Hong Kong. It has thus satisfactorily settled the issue left over from history between China and Great Britain, and it completely conforms to the fundamental rights of all the Chinese people, including the Hong Kong compatriots. It is a significant achievement of new China in diplomatic work and a joint accomplishment of the Chinese and British governments through friendly cooperation. He said: The "one country, two systems" concept is our firm national policy for reunifying our country. The signing of the Sino-British joint declaration and the satisfactory settlement of the Hong Kong issue will have far-reaching influence on the effort to end the separation of Taiwan and the mainland at an early date and will have provided fresh experience for peacefully settling international disputes, in particular problems left over from history between countries. He expressed the deep conviction that the Hong Kong compatriots, with the tradition of patriotism, will carry forward their spirit of acting as masters of their own affairs and make continuing contributions to the stability and prosperity of Hong Kong.

Wang Hanbin, secretary-general of the NPC Standing Committee and chairman of the Legislative Affairs Commission, explained at the meeting on a draft decision to authorize the State Council to enact provisional regulations and statutes on reforming the economic structure and opening to the outside world. He said: Our country is now reforming its economic structure with emphasis on the urban economy and is opening to the outside world. To ensure the orderly progress of that work, regulations dealing with numerous new problems and having legal effect should be worked out in a timely manner. Hence, at the suggestion of the chairmanship meeting, the Legislative Affairs Commission of the NPC Standing Committee has drafted a decision authorizing the State Council to enact provisional regulations or statutes to reform the economic structure and open to the outside world. The Ninth Session of the Sixth NPC Standing Committee examined and discussed the draft decision and decided that it should be submitted to the Third Session of the Sixth NPC for examination and approval.

Wang Hanbin said: Authorizing the State Council to enact provisional regulations and statutes to reform the economic structure and open to the outside world not only meets certain needs of our practical work at present, but can also give us experience in preparation for the work to be done by the NPC and the NPC Standing Committee to enact new laws or to supplement or revise existing ones. It will help speed up our economic legislative work.

At the meeting, Wang Hanbin also explained the draft Inheritance Law of the People's Republic of China. He said: With the economic development in China's urban and rural areas in recent years, the personal income and property of citizens have increased, and the issue of inheritance has received more and more attention from the masses. Accordingly, disputes over inheritance are also increasing year after year. In view of this, the Legislative Affairs Commissions, together with the Supreme People's Court drafted the Inheritance Law of the People's Republic of China on the basis of the chapter on the right of property inheritance in the draft Civil Law. The 9th and 10th sessions of the NPC Standing Committee examined, discussed, and revised the draft inheritance law and decided that it should be submitted to the Third Session of the Sixth NPC for examination and approval.

In explaining the draft inheritance law, Wang Hanbin dwelled on nine points, namely, the significance of enacting the inheritance law, the scope of inheritance, protection of women's right to inherit, support and care for the old and children, legal heirs and sequence of inheritance, inheritance according to wills, treatment of legacy, inheritance among ethnic minorities, and inheritance involving foreigners. Enactment of the inheritance law, he said, will be conducive to the development of the fine tradition of supporting and caring for the old and bringing up the young, promote the solidarity and mutual assistance among family members and stability in society, and help mobilize all positive factors to spur on socialist economic development.

Entrusted by Chairman Peng Zhen and the NPC Standing Committee, Vice Chairman Chen Pixian reported to the meeting on the NPC Standing Committee's work since the Second Session of the Sixth NPC, dwelling on four points: legislative work, in particular economic legislative work; hearing, examination, and approval of work reports submitted by government work; direct election of deputies at the county and township levels in the country; and foreign affairs activities. He said: Fairly good progress has been made in the Standing Committee's work since the Second Session of the Sixth NPC. Under the current new situation, the Standing Committee should earnestly sum up experience, study new circumstances and problems, improve its organization and system, and strengthen its legislative work, in particular economic legislative work. It should intensify its legal supervision and the supervision over government, judicial, and procuratorial work, carry forward its role as the highest organ of state power, and strive to develop socialist democracy, make perfect the socialist legal system, and ensure and promote progress in socialist modernization.

Zheng Tianxian, president of the Supreme People's Court, delivered a report to the meeting on the work of the Supreme People's Court last year in trying criminal, civil, and economic cases and the efforts made to beef up the work contingents of various courts.

Yang Yichen, president of the Supreme People's Procuratorate, made a report to the meeting on the work of the Supreme People's Procuratorate. His report consisted of four parts: 1) Make continued efforts to strike hard at serious criminal offenses and try to bring about a turn for the better in social public security; 2) Strengthen the procuratorial work concerning economic criminal activities to ensure the smooth progress in economic structural reform and in economic construction; 3) Serious investigate and deal with criminal cases of infringement upon citizens' democratic rights and maintain the dignity of the socialist legal system; and 4) Improve the procuratorial work force and constantly improve the political quality and work proficiency of police cadres and policemen.

Other executive chairmen seated in the front row on the rostrum today were Zhu Xuefan, Zhou Gucheng, Yu Ke, Liu Minghui, Ruan Bosheng, Du Xinguan, Song Lin, Zhang Zhengde, Zhang Zaiwang, Xiang Nan, Hu Lijiao, Gin Hezhen, Tomur Dawamat, Han Ningfu, and Xue Ju.

Delegates on Hong Kong Issue

OW031626 Beijing XINHUA in English 1606 GMT 3 Apr 85

[Text] Beijing, April 3 (XINHUA) -- Members of Chinese legislative and consultative bodies gave a prompt approval to the Sino-British agreement on the future of Hong Kong here this afternoon.

A government motion on the joint declaration and its three annexes were submitted by Premier Zhao Ziyang at a plenary meeting of the National People's Congress. The occasion was observed by members of the National Committee of the Chinese People's Political Consultative Conference (CPPCC). If the agreement was endorsed by the NPC, said Chak Nuen Fai, a CPPCC member from Hong Kong and president of WIDE ANGLE magazine, it would not only have gone through all the necessary legislative procedures, but would also have the protection of law and guarantees from the state and China's one billion people. This would surely encourage the people of Hong Kong to make the area more prosperous, he added. Following the successful resolution of the Hong Kong question by the Chinese and British Governments last year, Chak noted, Hong Kong society had remained stable. Finance and real estate had been active, the Hong Kong dollar had remained strong and people were optimistic about the future. Cheng Siyuan, deputy secretary general of the CPPCC National Committee, said the "one country, two systems" concept contained in the joint declaration provided a reliable guarantee for Hong Kong's future. After the declaration was made public the mood of the people of Hong Kong stayed stable and foreign investment kept flowing into the area. These developments all augured a bright future for Hong Kong.

The "one country, two systems" concept also opened broad prospects for the reunification of Taiwan and the mainland, he added. Many people in Taiwan had also privately expressed their appreciation and approval of the concept. This indicated that it had far-reaching influence as a national policy for the country's reunification, he said.

Vice-Chairman of the Shanghai Federation of Industry and Commerce Chen Mingshan, who recently returned from a tour of Hong Kong, said the successful settlement of the Hong Kong question would help economic exchanges and cooperation between Hong Kong and the mainland. The enthusiastic support of China's billion people and the country's vast market would certainly promote growing prosperity in Hong Kong, which was already one of the busiest financial centers in the world, he added.

Ma Wanqi, an NPC deputy and chairman of the Macao Chinese Chamber of Commerce, said that the successful resolution of the Hong Kong question had won wide acclaim from Hong Kong and Macao compatriots. The Sino-British agreement opened bright vistas for the development of Hong Kong, Ma noted, adding that he believed ties between Hong Kong and the mainland would grow closer and the scope of their cooperation would be ever broader. "This is conducive to the stability and prosperity of Hong Kong," he said. Industrialists and business people in Macao, like those in Hong Kong, would also strengthen their economic and trade ties with the mainland, he maintained.

Fang Shangui, senior deputy manager of the Hong Kong branch of the Bank of China, held that the role of Hong Kong as an international monetary and trade center would be brought into fuller play. He also said he believed that Hong Kong's capital, advanced technology and management experience would make greater contributions to China's modernization drive. Eighty percent of the capital drawn from overseas by Guangdong Province last year came through Hong Kong, where businesses of the mainland had also set up many industrial and commercial establishments, he said. "Such an exchange is beneficial to both," he added.

He said that the Hong Kong branch of the Chinese Bank was full of confidence in the area's future. This was indicated by the beginning of construction this month of the bank's new 70-storey headquarters -- the tallest building in Asia.

Liang Xiang, an NPC deputy and mayor of Shenzhen, one of China's four special economic zones, bordering Hong Kong, said the solution of the Hong Kong question would strengthen economic interchanges and collaboration between Hong Kong and Shenzhen.

Professor Praises Agreement

OWO40940 Beijing XINHUA in English 0931 GMT 4 Apr 85

["Hong Kong Agreement 'Reflects Mutual Understanding'" -- XINHUA headline]

[Text] Beijing, April 4 (XINHUA) -- The Hong Kong agreement between China and Britain reflects the spirit of friendly co-operation and mutual understanding shown by both governments, a professor of international law said today.

Professor Han Depei, from Wuhan University, told XINHUA that the deal also served as an excellent example for peacefully settling complicated issues remaining from the past. He was commenting on Foreign Minister Wu Xueqian's speech on the Sino-British joint declaration on Hong Kong made to the current National People's Congress here.

Director of an international law research institute, Han is attending the Third Session of the Sixth National Committee of the Chinese People's Political Consultative Conference, also being held here.

Expressing full approval of the joint declaration, he said he hoped that it would be approved by the current NPC session. By publicly stating its policies and principles regarding Hong Kong through a joint declaration, Han said, China was showing its determination to maintain Hong Kong's stability and prosperity by means of law. Special policies adopted by the Chinese government would enable Hong Kong to continue its role as an international banking and trading center, and to contribute to the country's economic boom.

On the "one country, two systems" concept, he said it reflected the realistic attitude of the government in taking into account both historical facts and present realities.

"The concept was put forward after careful deliberation," he added. "Its theory and practice will help provide an optimum program for China's peaceful reunification at the earliest possible date."

Diplomat on Settlement

OW040428 Beijing XINHUA in English 0334 GMT 4 Apr 85

[Text] Beijing, April 4 (XINHUA) -- A veteran Chinese diplomat today described the settlement of the Hong Kong issue as "of broad and far-reaching significance".

"It is an important event in modern Chinese history," said He Ying, former vice-minister of foreign affairs and now vice-chairman of the Overseas Chinese Committee of the National People's Congress, in an interview with XINHUA. This important step toward the reunification of the motherland was also conducive to the prosperity and stability of Hong Kong, the modernization drive on the Chinese mainland and the return of Taiwan, he said. Moreover, the senior diplomat said, it was beneficial to peace in Asia and the rest of the world.

As an international financial and trade center, Hong Kong had extensive economic and trade links with other parts of the world, He Ying said. The successful settlement of the Hong Kong issue would help strengthen those links and contribute to world stability, he added. "The settlement has also provided new and positive experience for settling international disputes in this eventful world," He said.

He attributed the successful settlement of the issue to the far-sightedness of Chinese and British leaders. With the settlement of the Hong Kong issue, Sino-British relations would enter into a new stage of development, He Ying said. Hong Kong had owed its economic success to investment and business operations to Chinese residing abroad, the vice-chairman of the NPC Overseas Chinese Committee said. Hong Kong's continued prosperity and stability as a result of the settlement would encourage patriotic Overseas Chinese to make further investment there, He Ying said.

JINGJI RIBAO COMMENTATOR ON ZHAO WORK REPORT

28 Mar Article

HK030821 Beijing JINGJI RIBAO in Chinese 28 Mar 85 p 1

[Commentator's article: "A Full Assessment Must Be Made of the Excellent Situation -- First Reading of Premier Zhao Ziyang's Government Work Report"]

[Text] At present, the situation in our country's political and economic development is very good. This was stressed by Premier Zhao Ziyang when he was delivering a report on the government work at the Third Session of the Sixth NPC. After conscientiously reading the report, we may feel as if we have been bathed in the spring wind and we will have an overall and deep understanding of what the excellent situation really means.

The present excellent situation in our country can be mainly summed up as follows: First, since the 3d Plenary Session of the 11th CPC Central Committee, the situation in our political and economic development has been very good. It has not just been good for 1 year, but for several successive years, and each year the situation is better than the previous year. Second, in the short space of 6 years, our national economy has taken a path marked by steady, sustained, and coordinated development. The steady development means that our national economy has been smooth-running and there have been no sudden up and downs. The sustained development demonstrates that our national economy has neither developed very quickly in a period of time nor has it come to a sudden standstill.

The coordinated development in our national economy shows that production in the two major categories -- the means of production and the means of consumption -- has developed in a relatively coordinated and proportional way. In his report, Premier Zhao Ziyang pointed out: "Prospects for the realization of a favorable cycle in the national economy have begun to appear before us." This is what we have longed for day and night for years. Third, the present situation in our country represents one of the most prosperous periods since the founding of the PRC. The whole party has been more united than before, both politically and ideologically, the party style has effected a remarkable turn for the better, the situation of political stability and unity in the country has developed steadily, and the living standards of the people in the urban and rural areas have further improved. In a word, a full assessment must be made of the excellent situation which has been created after arduous struggle over the past years. This is the mainstream of our current economic development.

In his report, Premier Zhao also pointed out: "When we say that the current economic situation in China is excellent, it does not mean that everything is fine. In the development of our national economy, there are still some problems that cannot be ignored". He also said: "Although these problems are minor, they should receive serious attention." Pointing out these problems in such a realistic way does not go counter to the excellent situation at all. Under the principles for guiding action of "being steadfast, being prudent in fighting the first battle, and being sure to win" formulated by the party Central Committee, the current reform and work of opening to the outside world are developing soundly. Problems existing in the current economic development are problems that arise in the course of progress. As long as we always stay clear headed and take appropriate measures, it is not difficult for us to solve these problems. As a matter of fact, some problems have been resolved and some are being resolved. Even the newly appeared unhealthy tendencies can also be quickly and effectively checked in the course of the second stage of party rectification as the party Central Committee and the State Council have issued a number of circulars and put forward some important measures and policies. In fact, such unhealthy tendencies have begun to be checked. With the party style taking a turn for the better, we will certainly be able to accelerate the current reform and work of opening to the outside world, and to consolidate and develop the current excellent situation.

In short, a full assessment must be made of the current excellent situation. So long as the whole nation can reach a common understanding and act in unison, we will certainly win sufficient confidence and courage in marching forward and vigorously striving for new victories in socialist economic construction.

29 Mar Article

HK030901 Beijing JINGJI RIBAO in Chinese 29 Mar 85 p 1

[Commentator's article: "Happy To See Economic Construction Embark on a New Road -- Second Reading of Premier Zhao Ziyang's Government Work Report"]

[Text] In the "Government Work Report," Premier Zhao Ziyang pointed out: "Thanks to the readjustments and reforms in recent years, our country's socialist economic construction has been proceeding along a new path which is in keeping with our country's conditions." This gratifying news shows that far-reaching and significant changes have taken place in our economic development strategy. This will play a significant role in promoting our country's long-range economic development in the future.

After reading Premier Zhao's report, we can clearly see that the proportional relationships between agriculture and industry and between light industry and heavy industry, have become more coordinated. The basic production setups of the national economy have thus become more rational, and the proportional relations between consumption and accumulation have also become more coordinated, they are still growing, giving impetus to one another. This is what we always wanted to achieve but failed to do so for many years. Premier Zhao's report has provided encouraging figures and made a sound analysis of achievements. These achievements have been the result of resolutely implementing the principle of readjusting, restructuring, consolidating, and improving, and the result of going a step further with reforms and the policy of enlivening the domestic economy and opening to the outside world in 1984. This shows that the policies put forward since the 3d Plenary Session of the 11th CPC Central Committee have yielded marked results. From Premier Zhao's report, we can see that the new path is marked by the following three characteristics.

First, in the past few years, we have proceeded from the rural reform to promote the development of national economy, we have proceeded from agricultural development to spur on the development of the consumer goods industry, and we have proceeded from the growth of the consumer goods industry to increase the means of production. We have now begun to achieve what we had hoped to achieve but failed to do for many years. As for the relationship between agriculture, light industry, and heavy industry, we have studied the problem for years and emphasized that we had to lay stress on the development of agriculture and light industry to promote the growth of heavy industry. But our practical work in this aspect in the past was not satisfactory, the problem concerning the proportional relationship between agriculture, light industry, and heavy industry and the problem concerning production setups were not resolved satisfactorily. Now these problems have been initially resolved.

Second, in the past few years, we have promoted the development of our national economy by increasing the peasants' income. The increasing need of the people for consumer goods has stimulated the domestic market and promoted the development of production, thus correctly handling the relationship between consumption and production.

Third, in the past few years, our reforms and policy of opening to the outside world have smashed the closed economic structure which prevailed in our country for a long time. By opening to the outside world as well as to the rest of the country, we have made full use of two markets, both world and domestic, and two sources of natural resources, making them supplement each other, and in turn stimulating the development of production. For example, lack of energy is a long-standing unsolved problem in our economic construction. Our import of the means of production over recent years, actually the imports of energy, has eased the tension of the energy situation to a certain degree. Meanwhile, in order to carry out the urban reform and lighten the peasants' load, we kept on importing a certain quantity of grain for some time after the 3d Plenary Session of the 11th CPC Central Committee so that the peasants could build up strength. All this shows that opening to the outside world from a closed society is a welcome change as it helps to develop the economy at a still quicker pace.

Premier Zhao's report has deeply impressed on us that the abovementioned characteristics are all compatible with actual conditions in our country. It indicates that this new path, a road toward socialism with Chinese characteristics, is full of vitality and has a rosy future.

30 Mar Article

HK030927 Beijing JINGJI RIBAO in Chinese 30 Mar 85 p 1

[Commentator's article: "Seek Truth From Facts, Advance Steadily -- Third Reading of Premier Zhao Ziyang's Government Work Report"]

[Text] The growth rate of our economic construction is an important question of principle. It is a matter of concern for the people throughout the country, and the whole world is keenly interested in this problem.

Then, what growth rate should we apply for our economic construction? And what principles should we uphold? In his report on the government work delivered at the Third Session of the Sixth NPC, Premier Zhao Ziyang pointed out: "It is necessary to uphold a realistic principle of making a steady advance, and resolutely guard against the practice of blindly pursuing growth rate and competing for speed."

This opinion of Premier Zhao is of great significance for guiding our work. At present, the overall situation of our country's economic development is excellent, and a new situation marked by sustained, steady, and sound development has appeared. Prospects for the realization of a favorable cycle in the national economy have begun to appear before us. This has been the outcome of efforts made by the whole party and the people throughout the country over recent years in the implementation of a number of policies on readjustment, enlivening the domestic economy, and opening to the outside world. All this has not in fact come easily. However, it calls our attention to the fact that some areas, departments, and enterprises have laid one-sided stress on pursuing gross value and high speed regardless of economic results. They have competed with one another for higher speed, disregarding the market's needs and actual conditions. If this situation is not promptly checked, deception, formalistic and boastful practices, and the practice of indiscriminately pooling funds and making requisitions will be encouraged, a strained situation will result in energy and transport facilities, a further imbalance between raw materials industrials and the processing industry will appear, the malady of ignoring the quality and variety of products will be covered up, and a strained situation will result in all aspects of economic life, thereby hampering the smooth progress of reform.

To build the four modernizations, we should pay attention to the growth rate of the national economy. However, the growth rate suitable to our economic construction should be a growth rate which is based on overall balance and is in accordance with objective conditions, and a realistic growth rate for making steady advance. In recent years, our country's growth rate has been rather high. According to an estimate by the departments concerned, if we can generally maintain this growth rate it is entirely possible to attain the grand goal of quadrupling the annual total industrial and agricultural output value by the end of this century. At present, we should, therefore, continue to lay stress on considerably improving economic results, we should pay more attention to promoting technical progress, raising the quality of products, reducing energy consumption and production costs, and making up deficits and increasing surpluses. We should maintain a steady economic growth rate on the condition that we can rationalize production setups, vigorously develop the tertiary industry, increase varieties of products, coordinate production with marketing, and achieve better economic results. Such a growth rate is a solid growth rate. It can maintain a favorable cycle in the national economy as a whole and progressively push ahead with socialist modernization.

EDITORIAL ON INTEREST RATES AS ECONOMIC LEVER

HK031534 Beijing JINGJI RIBAO in Chinese 1 Apr 85 p 1

[Editorial: "An Important Measure for Running the Economy by Economic Means"]

[Text] Interest rates are an important lever that the state can use to regulate the economy. For a long time in the past, because we neglected the role of the law of value in the commodity economy, interest rates for deposits and loans were unreasonable. In order to change this state of affairs, the state has raised interest rates for savings and deposits three times in recent years, has readjusted interest rates on loans twice, and has adopted the prime rate system and the method of charging additional interest. These measures have helped pool idle money scattered throughout society and have played a positive role in supporting the development of commodity production and improving enterprises' management business operations.

With the in-depth development of the economic reforms, the state will carry out reforms of the pricing system and the wage system. To ensure the smooth development of these two major reforms, we need to flexibly make use of various economic levers, including interest rates, to conduct overall economic regulation. Through the readjustments of recent years, our interest rates for savings and deposits will be raised further. This measure will support the reforms of the pricing system. By raising the interest rates on time deposits, we can appropriately increase the interest income of people who have deposited their money in the banks so that they may be prevented from suffering losses because of price rises. This measure thus will protect the interests of the vast number of depositors and fully shows that the state has given full consideration to the livelihood of the people in the course of the reforms. At the same time, the rise in the interest rates on time deposits will also maintain the long-term deposits that we have taken and help attract more new deposits so as to increase long-term credit funds and to change more consumption funds into funds for production and construction. This will help promote our four modernizations.

Together with the rise in the interest rates on time deposits, loan interest rates should also be readjusted to an appropriate degree. After the rise in loan interest rates, the enterprises will have to pay more interest, but the interest payments will still account for a small percentage in their production costs and they will be able to bear the interest burden. By raising loan interest rates, we can ensure a reasonable difference between the interest rates of deposits and those of loans so as to make the banking business profitable. On the other side, this will prompt the enterprises to pay more attention to the interest cost and to efficiency in the use of their funds so that they will try to reduce their credit fund holdings and pay off the loans ahead of time or on schedule. Thus the use of the funds will bring about the best economic results.

Raising loans interest rates will also help regulate the supply and demand of funds. Interest rates can reflect the state's economic policies and can direct the movement of funds. The new policy on interest rates stipulates that henceforth bank loans for capital construction projects should follow the same interest rates as loans for technological transformation projects. This will change the unreasonable situation at present in which loans for capital construction bear lower interest rates than loans for technological transformation.

This will encourage the enterprises to start more transformation projects and reduce construction projects and will thus help control the size of capital construction and accelerate enterprises' technological transformation so as to ensure the needs for funds by the state's priority projects. Of course, loans offered to state priority projects in the energy and transportation fields may bear preferential interest rates. The interest rates of loans extended to a small number of wholesale departments which function as a reservoir for social commodities and of loans for the purchase of grain, cotton, and edible oil by the state should remain unchanged. The differences in interest rates also demonstrate the spirit of the state policies.

It should be pointed out here that the forthcoming partial readjustment of interest rates for deposits and loans represents an important measure for strengthening the overall control over our financial affairs. It will help attract more deposits, withdraw more loans, take back more credit funds, and control the total volume of credit. So long as we do a good job in these matters, we will effectively bring our money supply under control and ensure the healthy and steady development of our national economy.

COMMENTATOR ON WRITERS, FOUR MODERNIZATIONS LINK

HK030831 Beijing RENMIN RIBAO in Chinese 1 Apr 85 p 7

[Commentator's article: "Writers Must Be Closely Tied to the Great Cause of Modernization -- Welcoming Activities of the Chinese Writers' Association To Award Three Kinds of Outstanding Works"]

[Text] Already made public are the results of the appraisal through discussion of the seventh convention to decide the nation's best short story, the third convention to decide the best novelette, and the third convention to decide the best reportage. A conference to confer the winners with awards will be held in Nanjing on 2 April. This is a noteworthy event for literature and art circles. With the past year or two, many excellent literary works have appeared, and many new literary figures have emerged, which has once again shown that the party's line, principles, and policies are entirely correct, including strategic decisions in the field of literature and art since the 3d Plenary Session of the 11th CPC Central Committee. Our literature in the new stage continues to make heartening advances along the road guided by the party.

Not long ago, Comrade Hu Qili delivered a "congratulatory speech" on behalf of the CPC Central Committee at the fourth congress of the Chinese Writers' Association. He fully affirmed the successes scored in the literary field during the new stage and suggested requirements for further overcoming the ideological influences of "leftism," ensuring the freedom of creation, persisting in the principle of "letting a hundred flowers bloom, letting a hundred schools of thought contend," and improving and strengthening the party's leadership in literary undertakings. This is of extremely great significance to the development and prosperity of literary undertakings during the new stage. We must resolutely earnestly, and meticulously implement the principles and requirements for literature and art during the new stage put forward by the CPC Central Committee, strengthen unity, and strive to promote the great prosperity of socialist literature and art.

Advocation of the freedom of creation and continuous elimination of the pernicious "leftist" influences in the field of literature and art will certainly further emancipate the productive forces in literature and art. Advocation of the freedom of creation under the socialist system is an expression of the party's trust in all literature and art workers. At the same time, the responsibilities of the writers will increase. What are the responsibilities of the writers?

In his "congratulatory speech," Comrade Hu Qili made it very clear: "Our writers must do their best to express our great times; the modernization of our industry, agriculture, national defense, and science and technology; the labor, struggles, ideals and yearnings of the masses; their successes and setbacks; joy and sorrow in socialist modernization; and the active life during the four modernizations. They should portray the new men who are brave in blazing new trails, take an active part in reform, and devote themselves to the four modernizations. They should castigate negative and decadent ideas and social phenomena, and educate the people in the lofty ideals of communism. This is the most glorious task for our socialist literature." The freedom of creation and the responsibilities of the writers are one. When we stress the responsibilities of the writers, we hope that the creations of the writers will keep abreast with progress in real life, and that they will do their best to express the great times and portray new men of the times, in order to stimulate people with the spirit of going all out to make the country strong, to bring forth the patriotism of the people over the whole country, to help them establish a staunch faith in communism, and to attain lofty realms of thought. When the party seriously sets forth such requirements for the writers, it certainly does not mean to restrict the writers' freedom of creation; neither is the party encouraging formulas and generalizations, nor asking the writers to go back on the old track of "leftism." But the party is hoping that the writers will have a strong sense of responsibility for our socialist literature. It is beyond doubt that we have scored tremendous achievements in our literature. However, it is undeniable that our literature is not yet on a par with our great times, and there is still a gap between our literature and the demands of the people. Reform is China's second revolution. In the magnificent nationwide undertaking to invigorate the Chinese nation, are the sentiments of some of our writers closely tied to the great cause of the four modernizations? As the writings of some writers helpful to the development of the four modernizations? These are questions worthy of our attention. It is natural that along with the appearance of a large number of excellent works there emerge some works which are not in good taste, or which are mediocre and rough. We need all works which directly or indirectly help the four modernizations, including those which add to the recreation of the workers after a hard day's work. However, we hold that to writers, who are architects of the human soul, the more urgent matter is to pay attention to strengthening their ties with the people, plunging themselves into the drive linking themselves closely with the magnificent cause of the four modernizations, working hard to improve both the ideological and artistic quality of their work, producing more and better work that will live up to the expectations of our times, and satisfying the aesthetic needs of the masses with more exquisite spiritual food.

Flowers are blooming south of the Chang Jiang in March. At this time in spring, a large number of representatives of prize-winning excellent works, editors, and workers of literary organizations are gathering in Nanjing. We believe the warmth of spring will affect every writer and help sow new seeds in every heart, and that there will be another bumper harvest by autumn. Let the writers bring along their rich fruits when they meet again next year.

COMMENTARY ON POLITICAL-LEGAL CADRES DISCIPLINE

HK030914 Beijing ZHONGGUO FAZHI BAO in Chinese 27 Mar 85 p 1

[Commentator's article: "Cadres Responsible for Political and Judicial Work Should Have a Still Higher Sense of Discipline"]

[Text] Comrade Deng Xiaoping pointed out in his speech to the national conference of science and technology: "Communist Party members must strictly observe party discipline.

"The state law must be observed by all, whether they are party members or not. This is stipulated in the party discipline." These words are of special importance to our cadres responsible for political and judicial work.

Why? 1) The most important duty of the political and judicial departments as organs of the people's democratic dictatorship is to define the solemnity of the law. "How can you correct other people's mistakes when you are wrong yourself?" 2) The state and the people have given the political and judicial departments considerably large powers. An arrest warrant, a bill of indictment, and a court verdict are closely related to the image of the state in the hearts of the people and to the people's personal interests. There must be iron discipline to ensure the correct exercise of these powers; and 3) the political and judicial cadres, as may be required by their work, can obtain access to information, data, and documents which are inaccessible to other people. If they take advantage of this privilege to seek personal gains or gains for their cliques, the consequences will be unimaginable. Precisely for this reason it is explicitly stipulated in the "Draft Regulations for Political, Judicial and Public Security Personnel" that they must "be honest in performing official duties, be impartial, and never pervert justice for a bribe, abuse power for personal gains, and average a personal wrong in the name of the public interest," and so forth. The overwhelming majority of the political and judicial cadres correctly understand the nature of their work, the positions they hold, and the role they play. Therefore, they impose exacting demands on themselves and take the lead in observing law and discipline. However, a few of them have broken the law and harmed the people. We should guard against this and severely handle such cases.

The highest criterion in observing party discipline and the state law is to really defend and firmly carry out the policies of the party and state. Our country has decided to adopt the correct policy of opening to the world and invigorating the domestic economy. At present some evil practices and new unhealthy trends have emerged in the course of reform of the economic structure. Our political and judicial cadres must stay clear-headed. First, they must free themselves from such practices and trends; second, they must resist the "sugar-coated bullets" of different descriptions, and third, they must apply the law in rectifying the new unhealthy trends.

ZHANG JINGFU BRIEFS EXPERTS ON ECONOMIC REFORM

HK020455 Beijing LIAOWANG in Chinese No 11, 18 Mar 85 pp 9-11

[Article by staff reporter: "Conducting Reform, Opening Up to the Outside World, and Invigorating the Economy -- State Councillor Zhang Jingfu on China's Current Economic Reform Policies"]

[Text] Editor's note: At a forum with 37 foreign experts in Beijing, State Councillor Zhang Jingfu briefed them on reform of the economic structure currently being conducted in China and, on the basis of integrating theory with practice, explained the process of formulation, implementation, and the success of the reform policies. We now publish the main points of this talk. [end editor's note]

China's current reform of the economic structure can be summed up in six Chinese characters, which mean conducting reform, opening up to the outside world, and invigorating the economy. Our purpose in doing so is to achieve the objective of quadrupling the total annual output of national production by the end of this century. Plainly speaking, our objective is to make the people rich and the country strong and prosperous.

The most important criterion for judging the correctness of our policies and the achievements of our work is whether or not China's social productive forces have developed. The fact that the socialist productive forces have developed, that the people's living standards have constantly improved, and that the country has become more prosperous and powerful day by day shows that our policies are correct.

We are now exploring a socialist path with Chinese characteristics by proceeding from China's practical conditions. This is an arduous and glorious task facing our generation.

In 1978, the 3d Plenary Session of the 11th CPC Central Committee set things to rights by laying down a new principle for China's construction, namely, conducting reform, opening up to the outside world, and invigorating the economy on the basis of readjustment in order to build socialism with Chinese characteristics. Since then China's economy has embarked on a road of stable, sustained, and coordinated development. Stable development means that there are no longer great fluctuations; sustained development means that there is not development at one time and stagnation at another; and coordinated development means that in China's current economic development, the two categories — the means of production and the means of consumption — develop in a fairly coordinated and proportionate manner. There is no denying the fact that we still have problems and difficulties but they are of secondary importance. The principal aspect of our economy is getting better every year.

The Reform Starts in the Rural Areas.

What is the greatest reality in China? It is the existence of 800 million peasants among a population of 1 billion. Proceeding from this reality, we have started our reform from the rural areas.

There are two vital points in rural reforms. First, the peasants have decision-making power. In the past, we integrated government administration with commune management and directed production by administrative methods. As a result, bureaucratism prevailed, objective reality was violated, and the peasants' enthusiasm in production was stifled. We have changed this by separating government administration from commune management and by allowing the peasants to become masters of their own affairs and to engage in production in light of the practical conditions.

Second, we have conscientiously carried out the principle of remuneration according to work, under which the peasants get more pay for more work and less pay for less work, and thus discarded the practice of everybody eating from the same big pot and of egalitarianism. How have we put into effect the two policies mentioned above? By instituting in the rural areas the system of contracted responsibilities with payment linked to output. This system reflects the decision-making power of the peasants and the principle of remuneration according to work. The land still belongs to the collective but the responsibility for operating and managing the land falls on households, thus arousing the enthusiasm of all family members, men and women, old and young. There are numerous forms of the system of contracted responsibility with payment linked to output but the most important one is the all-round contract system. Simply and clearly, this all-round contract system is most welcomed by the peasants. Under this system, the peasants deliver in full the fixed amounts of output and other payments originally agreed upon to the state (including the state purchase quotas for farm produce and the agricultural tax) and the collective (such as management charges for the collective, accumulation fund for reproduction, and public welfare fund) and retain whatever surplus there might be. Thus, the more the peasants produce, the more they get. For this reason, the peasants try by every possible means to obtain the most abundant yield with the least investment and bring their initiative into full play.

The economic results of agriculture have improved. This is precisely the success achieved by the system of contracted responsibilities on the household basis with payment linked to output currently being implemented in China's rural areas. There have been numerous natural disasters in China over the past few years but our agricultural output has increased year after year, far surpassing our expectations. This proves that our rural reforms are successful.

There Will Be No Polarization

We encourage some people and localities to get rich first. We are sure that with the system of ownership by the whole people and the collective ownership occupying a pre-dominant position, a number of people getting rich first will not lead to polarization. In the past we sometimes equated "common prosperity" with "simultaneous prosperity." This was a metaphysical point of view, which did not conform to China's practical conditions. "Simultaneous prosperity" means in fact egalitarianism. The peasants should take the road of prosperity group after group.

The policy of letting some people get rich first will enable those having business capabilities and special skills to attain greater achievements and to bring their wisdom and talent into full play. We encourage people to get rich through labor and not through exploitation. On the basis of public ownership, able persons can give full play to their strong points and those who are good at business can get better off first. They can also play a positive and promoting role by providing others with examples to follow.

The development of the rural areas is uneven. The livelihood of more than 80 million people, or 10 percent of the rural population, has improved to some extent but they are still poor. The coastal areas have developed rapidly, with 30 percent of the population getting better off most quickly. Most of them have become rich through labor but a small number of people have also taken advantage of the loopholes in our reform. We should crack down on and suppress those violating the laws. But there are also those with both good qualities and bad. Regarding these problems, we should not adopt the method of indiscriminately sticking labels on people, nor should we make known our position in a hurry. We should make repeated observations, watch the practical results, and then make the best use of the situation to preserve the good qualities and to discard the bad ones. In China there are also a small number of private enterprises, most of them being on the service trade and some others engaging in the manufacturing industry. We keep these private enterprises under control by means of taxation to prevent capitalist development. We can also utilize these private enterprises to complement the development and growth of the socialist economy.

Readjusting the Prices of Farm Produce

An important aspect of China's rural reforms is the price reform. In the past, having failed to gain a sufficient understanding of the importance of socialist commodity production, we set the planned economy against the commodity economy, which resulted in the backwardness of commodity production and the frequent emergence of the following situation: Either we produced what the society did not need or we did not produce what the society needed. Now that this pattern has been discarded, our commodity production has started developing. China's socialist commodity production is different from the capitalist one in that ours is a planned commodity economy. The development of the commodity economy makes it necessary to properly solve the price problem. In the past we sometimes equated price stability with price freezes. By exercising a rigid control over prices we failed to give play to the regulating role of price as a lever. Commodity prices should be stabilized but not frozen.

The commodity prices throughout the country should be rationally readjusted step by step and in a planned way so that prices can reflect value and the relationship between supply and demand. But we should handle this carefully and take into consideration the bearing capacity of state finance, enterprise digestability, and the people's burden. The multiple pricing system we are currently adopting is a transitional method we have found through practice. It has a negative effect but we can only adopt this method under the present conditions in our country. We have raised the purchasing prices of farm produce but we have not raised the selling prices, the difference being subsidized by the state. Thus, the peasants have increased their income and given scope to their initiative while the interests of the consumers have not been affected.

The development of our country's agriculture over the past few years and the increased outputs of grain, cotton, oil-bearing crops, and other produce have created conditions for carrying out the price reform. We are now purchasing major farm produce according to a proportional price system. Since the outputs of oil-bearing crops have increased fastest, we first implemented the proportional pricing system on oil-bearing crops. This year we purchased grain according to the proportional pricing system calculated on an inverted ratio of 3:7 [dao san qi de bi li jia ge zhi 0227 0005 0003 4104 3024 0173 0116 2706 0455] Following the abundant supply of farm produce, commodity prices in country fair trade will naturally drop. In an effort to protect the initiative of the peasants in production, the state goes all out to purchase the farm produce at the state unified purchasing prices when their prices in country fair trade drop too drastically in order to ensure the interests of the peasants and to avoid the phenomenon of harming the peasants following greatly decreased grain prices as was the case in the old society. The development of China's agriculture over the past few years is chiefly due to two factors: the implementation of the system of contracted responsibilities with payment linked to output and the readjustment of the purchasing prices for farm produce.

The Urban Reform

The urban and rural reforms have something in common. They are aimed at discarding the practice of egalitarianism and of "everybody eating from the same big pot," expanding the decision-making power, and bringing into play the initiative of both the enterprises and the vast numbers of workers and staff members. The urban reform is much more complicated than the rural one. Take the practice of "everybody eating from the same big pot" for example. It is necessary to discard the practice of "eating from the same big pot" prevailing in the relations of the enterprises to the state and in those of the workers and staff members to their enterprises.

In separating the functions of government from those of enterprises in the cities, we should sum up our previous practical experiences in theoretical terms and deepen our understanding. In the past we lumped together the ownership of the means of production with the administration and management right of enterprises so that the enterprises under the system of ownership by the whole people became appendages of government organs. This was because we lacked experience on the one hand and were influenced by foreign pattern on the other. The separation of the functions of government and enterprises represents a big breakthrough. The relationship between an enterprise and the state is one of paying taxes and not delivering profits. The enterprise should become an economic entity practicing independent accounting and assuming sole responsibility for profits or losses. Within the enterprise, the workers and staff members should become the masters and it is necessary to link wages with production results in accordance with the principle of remuneration according to work.

In the past there was no difference whether a person worked well or not. Now, it is necessary to conscientiously implement the principle of giving more pay for more work and less pay for less work. It is necessary for enterprises to institute various forms of the responsibility system, including the peicework system, so that the initiative of the workers and staff members can be fully brought into play.

The 3d Plenary Session of the 12th CPC Central Committee held in 1984 laid down the principles, policies, and blueprint for China's urban reforms. The year 1985 will be a year of reform in China. The preliminary and the ultimate objectives of the urban reforms are to expand the decision-making power of enterprises, to invigorate them, and to arouse the initiative of the vast numbers of workers and staff members.

In order to invigorate enterprises, there must be both internal motive force and external pressure. For this purpose, it is necessary to create conditions for the enterprises macroeconomically to enable enterprises throughout the country to compete under the same conditions. However, our country's current macroeconomic conditions are not the same in all enterprises. For example, the prices of energy and raw materials in our country are too low and the profits of some processing enterprises are too high, which also include a portion shifted from the low energy and raw material prices. For this reason, competition between various enterprises has not been carried out under the same conditions. This makes it necessary to straighten out the price relations and to readjust prices rationally and step by step. At the same time, urban reform should also be supplemented by a series of reform measures. In addition to straightening out the price relations, it is also necessary to reform the labor wage system and to have proper measures in various fields, such as taxation, credit, and industrial and commercial management. In this way we can bring into full play the vitality of enterprises and fully demonstrate the superiority of the socialist system.

In carrying out such a comprehensive and profound reform, it is necessary to correspondingly establish a set of management systems and methods suited to reform, openness, and invigoration of the economy. It is also necessary to do a good job in legislation, to formulate the necessary rules and regulations, and to struggle against illegal activities in order to ensure the smooth progress of the reform. We are confident of this. However, we clearly understand that although we have determined the direction and formulated the blueprint, we shall still meet with many difficulties and problems in our practice and it will also take us several years of serious efforts to solve these problems well.

LIAOWANG ON READJUSTING LEADERSHIP GROUPS

HK031338 Beijing LIAOWANG in Chinese No 12, 25 Mar 85 p 4

[Commentator's article: "Continue To Readjust Leading Groups"]

[Text] To continue readjusting leading groups at every level is one of the major things which should be done by the whole party this year.

In readjusting leading groups, there are only two moves, advance and retreat. In other words, a group of knowledgeable young people with pioneering spirits will continue to be selected for leading groups, making leading groups at every level younger; while, a group of older comrades will step back from the leading groups.

Currently, the main obstacle to promoting large numbers of knowledgeable young people to leadership positions, is still "leftist" ideology and old concepts on making use of personnel.

For example, "we can work for the four modernizations just as well without intellectuals," "intellectuals can only be used, not trusted; be united with, not relied upon, let alone placed in important positions," and so forth. Such views still hold in the minds of some people. They regard intellectuals as alien forces, therefore, when promoting cadres the phenomenon of despising, discriminating against, and rejecting intellectuals still exists. It is well said by the leading comrades of the central authorities that it is not true that all intellectuals are talented people, but large numbers of talented people are among the intellectuals. If we do not eliminate the ideological obstacles in this field, it will be impossible to smoothly promote a batch of talented people with both courage and knowledge, ability and integrity to positions of leadership at every level.

In selecting and promoting cadres, it is necessary to have courage and insight and break with the restrictions of conventional concepts on making use of personnel. For example, honesty and reliability are undoubtedly virtues. But the point is that some people use a mediocre point of view in viewing honesty and reliability. True honesty is seeking truth from facts and serving the people whole-heartedly, but it does not mean "being obedient;" reliability does not mean clinging conservatively to accustomed ways and not daring go one step beyond the prescribed limits. Lacking initiative, and being overcautious, mediocre, and incompetent, such cadres are not beneficial but harmful to initiating new situations. Our cause needs this kind of cadre: he should be good at integrating the spirit of the central authorities with the reality of the localities or units to which he belongs, using his brain and seeking truth from facts; and as long as it is advantageous to the people, he should be bold in speaking and acting and able to initiate a new situation. It is only this kind of person who is loyal and honest to the party and the people; and it is only this kind of person who can promote the social and economic reform.

One phenomenon is very much worth pondering: Some people who have scored achievements in the construction of the four modernizations and the reform are often so-called "controversial" people, and it is very difficult to promote them. Why? Tracing it back, first, he himself has this or that shortcoming or fault, he is conceited, he acts on his own in all matters, or he made mistakes in the past, and so on and so forth. This is all right if he has corrected his mistakes; and it is quite sufficient if we just remind him to correct his mistakes. Don't people often say, look at the main stream? As long as he is really capable and responsible, we should boldly promote him to use his strong points and avoid using his weak points. Second, because he engages in reforms and initiates new undertakings, he often offends the interests of some people and bumps against the conventional rules and regulations of some people. Therefore, these people rally together to attack him. Regarding this state of affairs, our leading organs should analyze and discern these "complaints" with innovative viewpoints, and go to his rescue.

In readjusting leading groups, we must also break with the conventional custom of basing rank on seniority and the malpractice of envying talented people out of jealousy and eliminate the interference of factionalism. The practice of basing rank on seniority is time-honored and very deeply rooted, being a major obstacle to selecting men with good characters and employing the able. As for some people regarding young people as a "threat" to them, this is even less the behavior of a Communist Party member; and more seriously, this is using their personal interests to infringe upon the overall state plan. It seems that such concepts as basing rank on seniority exist not only in leading groups but also among cadres, such as, "being sure of the old, not the young," "what are his qualifications for commanding me?" and respecting seniority only, not virtue or ability.

Therefore, to select men with good character and to employ the able, it is necessary not only to correct the ideological concept of basing rank on seniority in leading groups but also to carry out extensive education among the masses.

Since 1982, hundreds of thousands of older comrades have retreated from the frontline positions of leadership. Responsible comrades of the central authorities praise the older comrades who have retreated from the frontlines as the forerunners in starting a new revolutionary phase and the forerunners in abrogating the lifelong system. The suppression of the old by the new is a law of the nature, and it is the most natural thing that older, veteran comrades retreat and younger, new comrades supersede them. During the readjustment of leading groups of this year, there will also be a large batch of older comrades retreating from the frontlines. Also that batch of older comrades who have already retreated to the second echelon but are unable to persevere in normal work as a result of advanced age should again retreat. After retreating from positions of leadership, older comrades should also display their "remaining heat" and do those things which they are still able to do for the party and the people. However, they should not act like "remaining authorities," nor intervene improperly with the new leading groups, let alone "attend to state affairs from behind a screen." If we always keep the reins in our own hands, even a winged steed cannot gallop.

In some localities and units, when the age of leading groups has become younger and the cultural level has been improved a little bit, the work of readjustment is relaxed. This is not correct, either. The construction of the four modernizations needs well-coordinated cooperation; and this requires the timely carrying out of the rational forming of talented people of various specialities and types and with various special skills into coordinated and highly efficient operational groups; and this requires further improving quality through unceasing readjustment.

In addition, the abrogation of the lifelong duty system for leaders is applicable to older comrades and to young cadres who have just joined leading groups. The "iron post system" should be abolished. Cadres, regardless of their level or age group, should all be ready to accept a higher or a lower post. We can make this suggestion: gradually expand the scope of the tenure system for leading cadres. Occupants of any post should be replaced often, regularly and irregularly. Practice in the past few years has proven that people who are unsuitable and unable to open up situations should retreat and be replaced by better, new people. Only by so doing can we enable talented people to spring up in great numbers and the quality and efficiency of leading groups at all levels to constantly improve. The point of view of attempting to get things done once and for all in the readjustment of leading groups should also be considered an outdated concept.

YUAN BAOHUA ON REFORM OF ENTERPRISE MANAGEMENT

HK040625 Beijing JINGJI RIBAO in Chinese 27 Mar 85 p 3

[Article by Yuan Baohua, vice minister in charge of the State Economic Commission and president of China Enterprise Management Association: "Reform the Management of Enterprises and Promote the Modernization of Enterprise Management" -- capitalized passages published in boldface]

[Text] The year 1985 is the last year of the "Sixth 5-Year" Plan. It is also the first year for the overall reform which has begun. The recently-held national economic work conference has listed the stimulation of enterprise management modernization as an important task in 1985. In the current year, we must give a big push to this task and enable the quality of enterprises and economic results to be raised to a new level.

The third national discussion meeting on management modernization was aimed at carrying out this task. Here I stress four points for discussion:

1. ENTERPRISE MANAGEMENT MODERNIZATION MUST BE MARKED WITH CHINESE FEATURES

Comrade Xiaoping has said many times that we must combine the universal truth of Marxism with our country's concrete practice of following our own road in building socialism with Chinese features. Comrade Xiaoping said: This is the experience summed up after we suffered. All the tasks we undertake must be conducive to the building of socialism with Chinese features. This is a criterion for judging whether or not we have done our work correctly. Comrade Xiaoping has raised this problem to a very high plane. According to my interpretation, this is actually a matter of upholding the ideological line of seeking truth from facts. "Chinese features," or the "Chinese style" calls for proceeding from the actual conditions of China and linking things with China's concrete practice. This idea from Comrade Xiaoping has become our general guideline for building a modern state. At the same time, the need to have Chinese features should also become our guideline for stimulating enterprise management modernization. This is not a small problem.

Since the founding of the PRC, the matter of our enterprise management has followed a tortuous road. The "First 5-Year" period was one of learning from the Soviet Union. After 1958, we attempted to follow our own road. But due to "leftist" influences, we suffered setbacks. After the 3rd Plenary Session of the 11th CPC Central Committee, based on central guidelines, we began paying attention to summing up positive and negative experiences acquired in enterprise management since the founding of the state. We also made a point of studying and borrowing advanced management experiences from foreign countries. We successively surveyed the enterprises of some industrially developed countries, Japan, the United States and Western Europe. We also launched several enterprise management training centers in cooperation with the United States, Japan, West Germany, Canada and other countries, systematically bringing in some countries' advanced management techniques and methods and paying attention to combining them with reality to serve our own purposes. This has produced certain results. This is what Chairman Mao said about "making foreign things serve China." Making foreign things serve China involves a problem of taking our own country as the center. No matter how useful foreign experiences are, they cannot yield good results if they are not linked with our country's practice. The very aim in studying the Chinese features of enterprise management is to solve this problem well. A country's method of enterprise management is not only closely related to the level of development of its production techniques but is also closely bound up with its social system, its national features, and its cultural traditions. The Chinese nation has a time-honored culture, which includes legacies in the field of management. When we stress summing up our own experiences, we should also include ancient experiences. For example, China's ancient ideas of management have attracted a lot of attention from experts and scholars in Japan, the United States, and other countries. They have applied the strategic and tactical ideas contained in "Sun Zi's Art of War" to economic management, achieving good results. In our ancient ideas of management, many brilliant views are still worth being drawn upon for reference. In the modern science of management, things similar to concepts about time and results, principles relating to operating strategy, decision-making, market competition and organization, behaviorism, ways of selecting and using talent, and so forth can almost all be found directly or indirectly in the treasurehouse of our ancient management ideas. Therefore, tapping the area of "making foreign things serve China" can help in stimulating enterprise management modernization and in studying the features of China's enterprise management methods.

There is a general and specific character in everything. There is also a general and specific character in management. There is a general and specific character not only in socialist enterprise management and capitalist enterprise management but even in enterprise management in the same socialist country. By Chinese features, we should mean something "specific" that is different from what is general. What are the features of modernized Chinese enterprises? Based on the views discussed by various comrades, I have initially summed up the following for everyone's continuous study and discussion:

First, given public ownership of the means of production as the main system and the simultaneous existence of many economic forms, enterprise management methods are flexible and varied.

Second, given operation and management based on the principles of a planned commodity economy, enterprises must not only follow the guidance of state plans but also run operations on their own, keeping market needs in mind.

Third, given the combination of central guidance and democratic management, we must not only show authority in exercising leadership but also safeguard workers' positions as masters of the house, bringing about the integration of leadership cadres, technical personnel, and workers.

Fourth, we must combine the interests of the state, the enterprise, and the individual. This is to say that with a continuous increase in enterprise economic results as a prerequisite, we must guarantee rational distribution and continuous growth, where the state's income, an enterprise's accumulation, and a worker's individual income are concerned.

Fifth, we must insist on combining ideological and political work with the thorough implementation of the principle of distribution according to work and give full play to the workers' enthusiasm. We must not only create an army of workers who have ideals, a sense of morality, cultural knowledge and respect for discipline, but also safeguard a continuous movement in the workers' living standards in line with the principle involving material interests.

Sixth, the economic responsibility system displaying a combination of responsibilities, rights, and profits should also be one feature of management for Chinese enterprises.

2. ENTERPRISE MANAGEMENT MODERNIZATION IS A TASK OF REFORM

I want to stress that to stimulate the modernization of enterprise management is to introduce reforms concerning ideas of management, matters of organization, systems, ways, means, and so forth. Therefore, enterprise management modernization should be described as an important part of the reform of the whole economic system.

The acceleration of the modernization of enterprise management has been called for exactly to meet the needs of the deepening development of the reform of the economic system, the needs of exposure to the outside world and to overseas markets, and the needs of the challenge of a new technical revolution. At the same time it has also been dictated by the demand for an increase in enterprise vitality. Its fundamental aim is to improve the quality of enterprises and their economic results and stimulate the development of productivity. Therefore, the aim of stimulating enterprise management modernization is synonymous with the reform.

3. THE KEY TO SUCCESS IN MODERNIZING ENTERPRISE MANAGEMENT IS THE PROBLEM OF SKILLED PERSONNEL.

Comrade Xiaoping has consistently stressed respect for knowledge and for skilled personnel.

In October last year, referring to the 10 rules embodied in the decision on economic reform, he pointed out: "The key to success lies in whether we can discover skilled personnel and make good use of them." In a recent interview with the delegates to a national scientific and technical work conference, Comrade Xiaoping again pointed out that in reforming the scientific and technical system, the most important thing or the greatest concern to him is the matter of talent. Skillfulness in scouting for skilled personnel, unifying them, and using them is one of the main indicators of whether a leader is mature. A series of important speeches by Comrade Xiaoping on talent carry unusually great importance. We must have a profound understanding of them and strive to put them into realization, treating the effort as an important strategic task.

Modernized enterprise management is based on increasingly developed social mass production and science and technology. If we have not enough skilled personnel with a good grasp of science and technology and management skills, we cannot, possibly realize enterprise management modernization. Therefore, the matter of training skilled personnel, scouting for them, unifying them, and using them is a key factor determining success or failure in enterprise management modernization.

In the past few years, we have scored relatively great achievements in worker training. But we have fallen far short of meeting the demands of production and construction and the business of operation and management. On the basis of summing up experiences, we must pay close attention to formulating realistic and practicable training plans. We must be willing to spend some money, for that matter, and take effective measures to further create a new situation. We must use a method of running training schools that involves many ways, many levels and many forms, and try to form as quickly as possible a worker education system based on the major cities, with operations handled on different scales. We must also do a good job of bringing in talent and selecting personnel for training abroad. We must strive to create in the not too distant future a great army of socialist economic management cadres -- an army covering all fields that link up to form a complete whole.

4. WE MUST ACCELERATE THE PACE OF STIMULATING ENTERPRISE MANAGEMENT MODERNIZATION.

Management is an important resource. Its full development and utilization mean a relatively high rate of return on a small investment. For a long time, people have not had an adequate understanding of the importance of management. To date, this problem has not been completely solved. Experience shows that if management cannot catch up accordingly, technology, no matter how effective, cannot be brought into full play.

In the past few years, everyone has done a lot in stimulating the modernization of enterprise management, with initial results achieved. But generally speaking, we are at present still in an initial stage of development. Certain areas and enterprises have not even got beyond the stage of enlightenment. Development has been quite uneven. Our economic planning committees and associations in charge of enterprises must seriously tackle the stimulation of enterprise management modernization as an important task and try to direct intensified and proper efforts toward a good job with the support of party committees and governments at all levels.

First, we must seriously sum up experiences and take good care of typical examples. We cannot just go through the motions of summing up experiences. We must take theory as a guide and really seek an improvement. In light of the different conditions of enterprises, we must draw up proper plans and cannot apply the same fixed standard to our work.

We must proceed from realities and handle things with an eye to improved work efficiency and improved economic results. We must refrain from getting involved with formalism and doing things for the sake of appearances. We must instead conduct practical and proper experiments, using typical examples as a guide and a given point as a spur to the development of a wide area and letting the advanced lead the backward forward.

Second, we must get organized and act in concert. Management is a science and also an art. Modern enterprise management especially is a new field involving many branches of learning. As far as this is concerned, our knowledge falls far short. We must take enterprises as the focus, by doing the following: Strengthening cooperation in various fields, organizing forces from various quarters, including those activists who run around making appeals and put in hard and no-nonsense work in stimulating the modernization of enterprise management and all comrades interested in such work, cutting across the boundaries between different trades, enlarging our ranks, training new forces, exchanging experiences, drawing on the good points to make up for what is lacking and acting in concert and making common exploratory and development efforts toward the goal of realizing enterprise management modernization.

Third, we must step up publicity efforts and arouse people's attention. The important urgency of stimulating the modernization of enterprise management has now still not been fully understood by people. We must step up publicity and do a good job of propaganda and education work with the support of news and publishing circles and fully mobilize social forces to stimulate the unfolding of this task.

Fourth, economic planning committees at all levels must strengthen cooperation with planning, financial, labor and other relevant departments and render enterprises realistic support in such fields as technical transformation, work training, employment of talent from abroad, management and advisory services, and so forth and helping with the proper performance of guidance and service work, in order to help better stimulate the modernization of enterprise management. (Written 9 March 1985)

BEIJING TV PROGRAM CALLS FOR 'BANNING' TABLOIDS

HK040256 Beijing Domestic Television Service in Mandarin 1400 GMT 1 Apr 85

[From the "Night News" program]

[Text] [Announcer] Today we saw a letter from Comrade (Yang Xingping) of (Lutian) District in Liaoning's Fushun City. He called on the departments concerned to straighten out and ban [qudi] street-corner tabloids. The letter said: A number of tabloids have published some bad [huai] works which corrode the souls of the people. Quite a few stories they publish are full of pornography, homicide, and fighting. The great majority of people who buy tabloids are young people, who can be very easily led to commit crimes.

After reading this letter, we think that Comrade (Yang Xingping) has presented a convincing argument. Policy restrictions have been relaxed. However, this does not mean letting things drift in every field. In order to make money, some people have used incredible and fantastic headlines in their tabloids to attract readers. They have also compiled stories which are in bad taste and vulgar, thus corrupting the minds of the people. With regard to such tabloids which do not hold themselves responsible to society, we propose that the departments concerned should check up on, straighten out, and ban them.

QIN JIWEI STRESSES NEED TO ENHANCE PARTY SPIRIT

OW030827 Beijing XINHUA Domestic Service in Chinese 0900 GMT 1 Apr 85

[By reporter Jiang Qingzhao]

[Text] Taiyuan, 1 Apr (XINHUA) -- At an enlarged session of the party committee of a PLA corps stationed in Shanxi Province, Qin Jiwei, alternate member of the Political Bureau of the CPC Central Committee and first secretary of the party committee of the Beijing Military Region, stressed that the whole task of party rectification can be fulfilled only when party spirit has been enhanced. He urged leading cadres at the corps and division levels engaged in the second-stage party rectification to act as models in enhancing party spirit, strictly observing discipline, rectifying the work style, and taking the overall interests into consideration.

Recently Qin Jiwei spent 2 weeks conducting a full-scale inspection of the work of this corps. In a simple car and with a small entourage, he went to various divisional and regimental leading organs and grass-roots units where he extensively held heart-to-heart talks and discussions with cadres of all levels as well as fighters and conducted public opinion polls. In this way he learned the feelings of the cadres and fighters, heard their opinions, discovered problems, and summed up experiences. Then he passed the pertinent problems and opinions on to the party committee leading comrades of corps and division levels and asked them to use these as references in conducting party rectification. Comrades of the party committees of this corps and its various divisions said: Now a high-level leading comrade has come down to earnestly help us find problems, sum up experiences, and draw lessons and to give us suggestions to make improvements instead of issuing a general call to guide the work of party rectification. This has increased our confidence in the success of party rectification and encouraged us to work more energetically for it.

After examining the party rectification work done previously by the party committee of this corps and by party members in its various organs, Qin Jiwei, who is also the commander of the Beijing Military Region, commended the action they had taken to earnestly implement the instructions of the CPC Central Committee, the State Council, and the Central Military Commission and to resolutely correct the production activities and operations not permitted by the policies and regulations as well as certain new unhealthy practices. He said that their fine work style in strictly enforcing orders and prohibitions was a manifestation of their party spirit and their observance of discipline.

Qin Jiwei praised the method of persistently using party spirit to carry out party rectification and enhancing party spirit in the course of party rectification as proposed by the party committee of this corps. He stressed: Now all units of the Beijing Military Region engaged in the second-stage party rectification should emphasize education to "enhance party spirit, strengthen discipline, and take the overall interests into consideration." They should also make a serious effort to study Comrade Deng Xiaoping's important speech at the national scientific and technological work conference and Premier Zhao Ziyang's government work report to the Third Session of the Sixth National People's Congress. Through party rectification, the broad masses of party members should really uphold the communist outlook on life and the idea of serving the people wholeheartedly, and overcome individualism of all description.

They should take the initiative to put into practice the "four subordinative relationships" -- that is, the individual should be subordinate to the organization, the lower level should be subordinate to the higher level, the interests of the part should be subordinate to the interests of the whole, and minor principles should be subordinate to major principles. In addition, they should take a correct attitude toward the streamlining and reorganization of the PLA units and toward certain difficulties they are actually experiencing. In work, they should try to emulate those who are doing a better job. As to living conditions, and work problems, they should compare themselves with those whose living conditions and positions are not so good and not so high as theirs. They should always put the interests of the party and people in the first place, give not thought to personal gains or losses, and be bold in sacrificing their own interests. Leading comrades of the party committees of the corps and its various divisions should put strict demands on themselves in conducting party rectification and act as models in enhancing party spirit, strictly observing discipline, rectifying the work style, and taking the overall interests into consideration so as to set a good example for their various units.

YU GUANGYUAN ARTICLE ON ECONOMIC STRATEGY FORUM

HK040358 Shanghei SHIJIE JINGJI DAOBAO in Chinese 25 Mar 85 p 5

[Article by Yu Guangyuan: "A Well Received Forum"]

[Text] The "forum on China's economic and social development strategy," which is held bimonthly in Beijing, has been held on 24 occasions in all weather since February 1981. A discussion meeting which has lasted for 4 years and where its participants have increased from dozens to sometimes nearly 200 is truly a well-received meeting. This shows that the meeting is useful for practical work. Each subject for discussion at the forum is usually decided at the previous meeting. Generally speaking, all subjects for discussion at the forum are timely and interest the participants in the meetings. For example, the subject "reform of the scientific and educational structures," which was discussed at the 24th meeting, was introduced for discussion on the basis of the decision adopted by the 12th CPC Central Committee at its third plenary session. At that time the CPC Central Committee and the departments concerned were just studying the problem. On 22 October 1984 Comrade Deng Xiaoping also stressed that of the 10 points in the decision of the third plenary session, the most important one was the ninth point. For this reason we thought it necessary to discuss the reform of our scientific and educational setup as a strategic problem, and the subject was well received. To make the discussions fruitful, we must select subjects that can arouse people's attention and interest. The 25th meeting is to discuss the subject "one country, two systems." I think this will certainly arouse people's attention. The concept "one country, two systems" was initiated by Comrade Deng Xiaoping to solve the Hong Kong issue. This new idea has become our basic mode or strategy to solve the Hong Kong issue. It will also produce a great impact to our economic and social development. It is worth our while to study a mechanism which can produce such an impact and to estimate the nature and extent of the impact.

This forum is held for a whole day bimonthly. In the past no comrades from areas outside Beijing were invited to it. So comrades from other areas had no idea about it. However, this situation changed in November 1984. Since then comrades in charge of development strategy as well as other relevant activities for various provinces and cities have been invited to the forum which is now held every third week of the odd-numbered months.

With the participation of comrades who are concerned about research strategy from different provinces and cities, the forum on China's economic and social development strategy can now hear valuable opinions from these comrades.

RENMIN RIBAO PRAISES NEW PATENT LAW ADVANTAGES

HK030306 Beijing RENMIN RIBAO in Chinese 1 Apr 85 p 3

[Article by Shen Yaozeng: "The Main Characteristics of the Patent Law in Our Country"]

[Text] China's patent law formally goes into effect on 1 April. What are the characteristics of this patent law?

First, it reflects the socialist character of our country. The patent law gives full consideration to the existence of various forms of ownership, with public ownership of the means of production as the main form, and includes a series of specific provisions that are suited to our country's socialist character and ensure the correct handling of the relationships between the state, the collective, and the individual. Take ownership of the patent right as an example. The law provides that if a service invention-creation is made by a person in execution of the tasks of the entity to which he belongs or made by him mainly by using the material means of that entity which is owned by the whole people, like its plant, equipment, and products, the patent right should be owned by the state, and that the patent right granted for that invention--creation should be "held" rather than owned by the entity.

Second, the patent law embodies the reform spirit. This is reflected in the provision that after the patent application is approved, the patent right is held or owned by the entity which has made the relevant invention-creation (it is held by an entity owned by the whole people or owned by one under collective ownership) rather than being monopolized by the state. This will prevent the maladies of egalitarian practice in handling patent rights and will effectively arouse the enthusiasm of enterprises and institutions for making inventions and creations. At the same time, the patent law gives more protection to the rights and interests of inventors. It provides that in a service invention, the inventor can attain honor and rewards; in a nonservice invention, the inventor can gain the patent right, and no entity or individual can prevent the inventor from applying for and achieving a patent right.

Third, the patent law encourages and protects inventions and creations made by the masses. It specifies three different types of patents for inventions, utility models, and designs. This stipulation will encourage the masses to make inventions and creations, because many inventions and creations made by the masses are minor ones. If the patent law did not protect the patent rights for utility models and designs, the masses might not have an interest in it.

Fourth, the patent law emphasizes the dissemination and application of inventions and creations. It provides for the system of "state-ordered patent transfers." This system is different from "state-granted franchises" in some countries. It only refers to the exploitation of some patented technologies in a prescribed scope according to the state plans for disseminating and applying important technologies by paying a fee to the holder or owner of the patents. The patent law also provides that if the patentee fails to fulfill his obligation to make the patented product or to use the patented process without any justified reason by the expiration of 3 years from the date of the grant of the patent right, the patent office may grant a compulsory license to exploit the patent.

Fifth, the patent law safeguards legislative rights and interests. This law is not only a domestic law, but is also a law related to foreign economic activities. In order to conform with our open-door policy and to help absorb more advanced foreign technologies, the patent law has adopted as many norms and regulations accepted by the international community as possible. At the same time it also takes into consideration the fact that there remains a wide gap between our country's technological level and that of the developed industrial countries and the fact that our country lacks experience in carrying out a patent system. So it imposes some restrictions in order to protect patent rights and to protect our country's interests.

We are deeply convinced that the implementation of the patent law will certainly promote the vigorous development of technology and economic construction in our country.

COMMERCE MINISTRY IMPLEMENTS DOCUMENT NO 1

OW030847 Beijing Domestic Service in Mandarin 1200 GMT 1 Apr 85

[Text] According to a report of this station, the Ministry of Commerce has positively implemented the central authorities' Document No 1 by placing its major support on serving the readjustment of the rural production structures, while striving to enhance the quality of supply and marketing services.

In compliance with the guidelines of the central authorities' Document No 1, the Ministry of Commerce called on supply and marketing departments to bring into full play the favorable conditions of supply and marketing cooperatives, including their numerous network points, broader avenues, and closer contacts with the rural areas, to help the peasants do a good job in this year's agricultural production, according to the demands in the development of commodity production and the needs of the market. The ministry pointed out: Supply and marketing cooperatives in the major grain-and cotton-producing areas may carry out the system of signing serial service contracts with the peasants to provide information for them in support of their production and enable their products to meet the needs of the market. At the same time, greater importance should be attached to the peasants' multi-layer and many-sided consumption requirements when the peasants' purchasing power becomes relatively greater. Procurement and sales points in townships and villages should be properly increased or readjusted to provide convenience for the masses of peasants in purchasing daily-use articles and selling indigenous and sideline products.

The Ministry of Commerce also called on supply and marketing cooperatives in the various localities to positively build and run the food industry with agricultural and sideline products as raw materials, feed industry, animal husbandry, and building materials industry to solve the problems of surplus labor force and as an outlet for funds in the rural areas, and to increase the strength of supply and marketing cooperatives and their ability to serve the peasants.

This year, the Ministry of Commerce will provide consolidated supply and marketing services for town and village enterprises, stressing the supply of raw materials, sales of products, market information, technology, storage, and transport. It will help town and village enterprises to introduce advanced technology from economically-developed areas in the country and from abroad, and enhance the quality of products to strengthen their competition ability.

ZHEJIANG'S WANG FANG SPEAKS AT S&T MEETING

OWO30857 Hangzhou ZHEJIANG RIBAO in Chinese 26 Mar 85 p 1

[Excerpts] The provincial party committee and the provincial government held a meeting in Hangzhou yesterday to convey the guidelines of the national conference on scientific and technological work. Comrade Wang Fang delivered an important speech at the meeting.

Provincial party committee Secretary Chen Fawen presided over the meeting. Vice Governor Li Debao conveyed the guidelines of the national conference on scientific and technological work.

In his speech, Comrade Wang Fang pointed out that the decision on reform of the scientific and technological system is a major event long-awaited by all scientific and technological circles and the broad masses of people. Conscientious implementation of this decision will certainly speed up the steps of our country's four modernizations. Such implementation has a bearing on the prosperity and development of our country and nation.

Comrade Wang Fang said: In the past few years, our province has carried out some experimental-unit work on reform of the scientific and technological system, and the appearance of some units undergoing such reform experiments has greatly changed. As a result, the creativity and initiative of scientific and technological personnel were brought into further play, and their vitality in adapting to the needs of society and economy were greatly strengthened; the scientific and technological achievements increased; and economic results were enhanced.

Comrade Wang Fang pointed out: At the same time, the problem of connection between scientific and technological work and economic construction in our province has not been fundamentally changed. Furthermore, with the development of economic construction and the challenge of the new world technological revolution, the various defects in the scientific and technological system have been more clearly exposed. On one hand, the out-moded products produced in many production spheres and by many production units, the systems adhered to for many years by them, and the backward technology and simple equipment kept by them are urgently in need of improvement by modern science and technology. Besides, there are a large number of enterprises that have kept to the old ways and failed to see the need for scientific and technological progress. On the other hand, many scientific research units do not understand the needs in production, but feel the lack of places where they can bring their role into play. As a result, an excessive waste of talented personnel emerged. Because of various kinds of resistance, the application and popularization of scientific research achievements to production have been postponed, while the creativity and initiative of scientific and technological personnel have not been brought into full play.

Comrade Wang Fang said: The only way to solve the above-mentioned problems is to implement the "Decision of the Central Committee of the Communist Party of China on Reform of the Scientific and Technological System" and establish a new scientific and technological system according to the demands of the socialist commodity economy. It is especially necessary to reform the scientific and technological funds allocation system, to explore technological markets, to strengthen technological development capabilities of enterprises, and to reform the scientific and technological personnel management system. Only by doing so, can the mandatory, strategic principles of relying on science and technology to the needs of economic construction be implemented. He called on leaders at all levels to fully emphasize the importance of the work of carrying out the reform of the scientific and technological system, to conscientiously conduct research in several scientific and technological projects each year, and to study scientific and technological projects each year, and to study scientific and technological work and economic work at the same time. He called on them to regard the need of bringing into play the initiative of the broad masses of scientific and technological personnel and to truly respect knowledge and talent as a central issue in the implementation of the decision of the central authorities on reform of the scientific and technological system.

GUAN GUANGFU ATTENDS HUBEI RURAL WORK CONFERENCE

HK030343 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 1 Apr 85

[Excerpts] From 25 to 31 March, the Hubei Provincial CPC Committee held a conference on rural work to sum up and examine the results of recent developments in implementing this year's Document No 1 of the central authorities in all places, to analyze the current favorable situation in readjusting the rural production structure and the new situation and new problems emerging, and to discuss and revise the views of the provincial CPC Committee and the provincial government on certain problems of implementing this year's Document No 1 of the central authorities. Attending this conference were secretaries of all prefectural, city, and autonomous prefectural CPC committees, responsible comrades of provincial subordinate departments concerned; and leading comrades of nine counties and cities which are carrying out comprehensive pilot projects of structural reform.

Guan Guangfu, secretary of the provincial CPC Committee, made a summing up of the conference. Qian Yunlu, deputy secretary of the provincial CPC Committee; and Tian Ying, Standing Committee member of the provincial CPC Committee and vice governor, spoke at the conference.

The conference laid stress on discussing the problems of persistently proceeding from realities and correctly guiding the readjustment of the rural production structure. The principles formulated by the conference are to link long-term and immediate plans, to make gradual improvements, to take such measures as are suitable to local conditions, to give play to superiority, to gear production to market needs, to lay stress on comprehensive results, to respect their desires, to give different guidance according to different categories, and to gradually change the rural economy as a whole from regarding farming as the main work to the all-round development of agriculture, forestry, animal husbandry, sideline production, and fisheries, from the production of primary products to processing work and comprehensive utilization, and from the self-supporting economy and the semi-self-supporting economy to the relatively developed commodity economy. Effecting this change is both an urgent requirement for the development of the rural economy and a relatively long process of economic development. Therefore, it is necessary to gradually establish the rational rural production structure with the following several characteristics:

In utilizing natural resources, the rural production structure must be beneficial to carrying forward strong points, avoiding weak points, and giving play to local superiority. Moreover, this superiority must be reliable for a long time. In meeting social needs, it must be beneficial to suiting market competition and changes and be able to supply a variety of key products with local production. In economic terms, it must be beneficial to achieving comprehensive results, must ensure a high degree of unification of economic, social, and ecological results, and must ensure a benign cycle. Our province is a key grain and cotton production region. Its key agricultural products are mainly grain and cotton. We must use these two key products to develop a series of products. When we engage in the processing of agricultural products, we will surely ensure the development of industry in rural areas and promote the development of the light and textile industries in urban areas. In turn, industrial development can bring along and promote agricultural development. Industrial and agricultural development and prosperity can promote the development of all trades and professions which serve industry and agriculture. Thus, primary, secondary, and tertiary industries can be combined and formed into an organic entity.

The conference seriously discussed certain specific principles, policies, and measures in the course of readjustment. In readjusting grain production, under the premise of resolutely guaranteeing a continuous and steady increase in grain production and of continuing to give play to our province's advantages in grain production, the arable land which is unsuitable to the cultivation of grain, such as low-lying farmland in the lake areas and slopes of over 25 degrees in the mountainous areas, must be resolutely and gradually readjusted and in the light of local conditions, must be rearranged for suitable use. Regarding the principle on readjusting cotton production, it is essential to carry out both readjustment and protection to ensure basic steady production. We must especially pay attention to protecting the interests of cotton-growing peasants in the key cotton production regions. In the readjustment of animal husbandry, we must ensure the simultaneous promotion of the production of pigs, draft cattle, sheep, chickens, ducks, eggs, and milk. The current key point is still to develop pig production. Since the policy on the procurement of pigs was relaxed, state-run food departments must take measures to actively take part in market regulation. In peak periods, they must do well in procurement and in slack seasons, they must guarantee supplies. They must protect the interests of producers and consumers. In readjusting the aquatic products industry, we must encourage the breeding of aquatic products in both small areas of water and large areas of water. At present, we must stress solving the problems of the exploitation and use of large areas of water. In readjusting the forestry structure, we must solve the problems of concentrating on one thing only. We must attach importance to both economic forests and commercial forests. In those places which lack firewood, we must also develop fuel forests. We must also grow grass to develop animal husbandry. Township and town enterprises developed very greatly last year and must develop even more greatly this year. In the course of readjusting the rural production structure and quadrupling the industrial and agricultural output value ahead of schedule, we must shoulder a heavy burden.

The conference emphasized that in reforming the rural production structure and in beginning to change the rural economy to the planned commodity economy, all departments must shift the focus of their work to serving the development of production, serving grass-roots levels and enterprises, serving the country so as to make it prosperous, rich, and powerful, and serving the people so as to make them rich and happy. Departments concerned must promptly provide correct information to serve peasants so as to enable them to formulate policy decision. State run commercial departments must continue to give play to their main channel role, must actively take part in market regulation, and must protect the interests of producers and consumers. They must vigorously open up markets, must promote sales, and must endeavor to do well in supplying means of production. Financial departments must give full play to their economic level and regulation role. Science and technology departments must meet the needs of the readjustment of the rural production structure, must reform their scientific and technological system, must vigorously popularize practical technology, must vigorously conduct scientific and technological education, must vigorously popularize science and technology, and must serve even better the development of rural intellectual resources.

The conference held that the reform of the rural economic structure involves all national economy departments and has an especially close relationship with urban areas. Therefore, in the course of reform, it is imperative to further contacts between urban and rural areas and to strengthen and keep close economic ties between them. We must give full play to the role of a better foundation for technology, knowledge, information, and industry in urban areas so as to promote the readjustment of the rural production structure, to speed up the development of the rural commodity economy, and to really form an economic network of linking urban with rural areas with urban areas as the basis.

The conference pointed out that readjustment must promote the quadrupling of the industrial and agricultural output value, which must lay stress on both speed and economic results from start to finish. The province's current situation in industrial and agricultural production is gratifying. However, we must clearly see that there is great discrepancy between what we have done and what the advanced provinces and municipalities have done. Our agricultural production level is not high. We began setting up township and town enterprises later than others did. The province's per capita income is not high. The problems of the masses' clothing and food in some mountainous and reservoir areas have not been basically solved. Therefore, we must use our energy not only to quadruple the industrial and agricultural output value ahead of schedule but also to completely improve quality and to enhance comprehensive results.

The conference demanded: Leaders at all levels must really change ideology and work style and must improve leadership methods to guarantee the smooth progress of the readjustment of the production structure. At present, we must particularly emphasize the necessity of going deep into basic levels to conduct investigation and study, of helping the masses to analyze superiority and inferiority, and of doing well in readjusting the production structure in households and villages one by one, in the light of the situation in the market and of results.

Other leading comrades attending the conference were Shen Yinluo and Wang Qun, deputy secretaries of the provincial CPC Committee; Wang Ruisheng, Li Haizhong, and Liu Qizhi, Standing Committee members; Zhou Huanzhong, Standing Committee member and political commissar of the Hubei Military District; Shi Chuan, vice chairman of the provincial People's Congress Standing committee; Guo Zhengqian and Wang Libin, vice governors; Chen Ming, adviser; and Zhou Jifang, vice chairman of the provincial CPPCC Committee.

HUNAN CONFERENCE URGES SOLUTION TO ECONOMIC CRIMES

HK030910 Changsha Hunan Provincial Service in Mandarin 1100 GMT 2 Apr 85

[Text] The provincial conference on cracking down on serious economic crimes, which was held from 25 to 30 March, emphatically pointed out that all localities must strengthen their leadership, grasp the essence of policies, and boldly and resolutely investigate and deal with serious economic criminal cases to ensure smooth progress of reform of the economic structure.

The conference held that over the past 2 years the province has achieved marked results in hitting hard at serious economic crimes. About 91 percent of the discovered economic criminal cases have been handled. This has relentlessly punctured the arrogance of economic criminals, saved a number of cadres who have made mistakes, and improved the party style and the general mood of society.

However, at present economic criminal activities are still very serious and have been interwoven with new malpractices. Some bad elements, by taking advantage of reforms and under the pretext of enlivening the economy, have obtained illicit money. Therefore, all localities must deepen their understanding of the 3d Plenary Session of the 12th CPC Central Committee, earnestly implement the spirit of the conference held by the Central Discipline Inspection Commission in Chengdu, further strengthen their leadership, properly conduct investigations, grasp the essence of policies, and continue to boldly and resolutely investigate and deal with principal economic criminal cases to ensure smooth progress of reform of the economic structure and of economic construction.

GUIZHOU CPC HOLDS MEETING ON RECTIFICATION

HK030928 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 1 Apr 85

[Text] From 28 to 30 March the provincial CPC Committee leading group for party rectification held a provincial work meeting on the second stage of party rectification.

The meeting pointed out: We must focus party rectification work on reforms and on putting an end to the backward economic status of the province. Taking the overall situation into consideration, we should unswervingly carry out reforms, which is also the key to the development of the national economy. There is no other way out for Guizhou except reform, and neither are there any other means to end its backward economic status. When carrying out party rectification, we should make it subordinate to and serve this overall situation. We should promote and safeguard reforms. No hesitation or vacillation is allowed on this issue. The major distinction between good and poor performance in second-stage party rectification is whether a person advocates reforms, improves economic results, and promotes economic development.

The main aim of the meeting is to act in connection with the important remarks by Comrade Deng Xiaoping delivered at the national conference on science and technology and to act in the spirit of the Central Commission for Guiding Party Rectification work conference on the second stage of party rectification.

In light of the province's actual conditions, the meeting discussed ways to strengthen leadership, seek a common understanding of reform, resolutely correct the new malpractices, strengthen party spirit, and strengthen the party members' education on ideals and discipline so as to promote and safeguard the smooth progress of reforms as well as to do well in the second stage of party rectification.

Li Jifeng, deputy head of the provincial CPC Committee leading group for party rectification, spoke at the meeting.

The meeting held that since the province started the second stage of party rectification, various localities and units have seriously carried out this work in connection with the plans of the CPC Central Committee and the provincial CPC Committee. Therefore, the development has been healthy and we have made initial successes. But we should also realize that there are still areas in which we have not done enough work. In the course of party rectification we should seriously settle problems. Otherwise the work will be done superficially, no good achievements will be made, and various tasks of party rectification will not be accomplished.

The meeting stressed that correcting new malpractices is a guarantee for carrying out reforms in a smooth way. We should treat this work as a key point for consolidating our work style as well as the second stage of party rectification. We should adopt effective measures to promptly correct these malpractices.

We should realize that the practice of correcting new malpractices is in keeping with reforming, opening to the outside, and invigorating the economy. They are not contradictory. In the course of correcting new malpractices we should seriously implement the party's policies in a truth-seeking manner and a strict way. We should handle well the relations between reform and the practice of correcting new malpractices.

The meeting also stressed: When implementing the policies of reforming, opening to the outside, and invigorating the domestic economy, we should educate the party members on ideals and discipline, which is very necessary. Furthermore, the meeting proposed specific requirements.

The meeting urged CPC committees at various levels to obtain the correct idea about the relationship between educating party members on ideals and implementing the present policies. The principles and policies formulated in the new historical period are means for ultimately realizing the lofty goal of communism. Being a party member, one must resolutely safeguard and implement the principles and policies of the CPC Central Committee, as well as take the road of reform. At present this is an important indication whether or not a party member possesses the lofty goal of communism.

We must seriously educate people on totally negating the Cultural Revolution, grasp firmly and well the work of eliminating people of the three categories, and strengthen the building of leading groups and the third echelon. We must further strengthen our leadership over the second-stage of party rectification, perfect the leading groups for carrying out party rectification and vocational work, perfect the organs for carrying out party rectification, and ensure smooth progress in second stage of party rectification.

The meeting was attended by leading comrades in charge of party rectification from the prefectural, autonomous prefectural and city CPC committees; the Propaganda Department of the provincial CPC Committee; the provincial national defense department offices for science, technology and industry; the provincial Economic Committee; the provincial Department of Urban and Rural Construction and Environmental Protection; CPC committees of units directly under the provincial CPC Committee, and the provincial government.

The meeting was also attended by comrades from southwest China party rectification inspection group of the Central Commission for Guiding Party Rectification, party rectification inspection group of the provincial CPC Committee, and other comrades concerned.

SICHUAN LAUNCHES PROVINCEWIDE CHECK ON COMPANIES

HK040347 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 3 Apr 85

[Excerpts] The Sichuan Provincial People's Government recently decided to launch the work of taking stock of and sorting out companies of all types, in order to achieve division of responsibilities and duties between government and enterprises and invigorate the enterprises. The specific guidelines are: Administrative companies must delegate their production operations powers to the enterprises as soon as possible; it is impermissible to take from the fat to pad the lean with respect to production plans, raw material allocation, personnel, use of capital, and so on; companies that are purely administrative in nature must be abolished, and in the future no level or department is permitted to set up such companies. Companies of this type which indeed have internal relations should be turned into enterprise-style companies, in cases where the company requests and is willing to integrate with them, but there must be a rational division of power between the companies and the grassroots factories.

No matter what type of company is involved, the enterprises are free to join them or withdraw from them. No department or unit is allowed to interfere in this respect.

XIZANG HOLDS CONFERENCE ON RECTIFICATION

HK310357 Lhasa Xizang Regional Service in Mandarin 0000 GMT 31 Mar 85

[Excerpts] A conference on party rectification in prefectures and cities concluded in Lhasa on 30 March after 6 days in session. During the meeting, regional CPC Committee Secretary Ba Sang listened to reports from the prefectures and cities and made an important speech. Dan Zeng, member of the Standing Committee of the regional CPC Committee and director of the office of the regional party rectification guidance group, conveyed the spirit of the second-stage party rectification conference convened by the Central Commission for Guiding Party Rectification.

The meeting proposed: Correcting new unhealthy trends, strengthening party spirit and discipline, promoting and ensuring reform, further stimulating the work of opening up and invigoration in the region's economic construction, rapidly boosting the economy, and allowing the people to get rich as soon as possible constitute the outstanding tasks to party rectification in the prefectures and cities.

Comrade Ba Sang spoke at the conclusion of the meeting. His speech was in four parts:

1. Basic evaluation of party rectification in the region's prefectures and cities. He said: Party rectification has unfolded in the region's six prefectures and cities since last October. Judging by the situation in the past few months, this work has developed healthily and achievements have been scored. I hope the prefectures and cities will seriously sum up and review the work. Adopt a truth-seeking attitude to the existing problems, and make up whatever is missing. The general demand is that party rectification must be done will, not superficially.
2. The tasks and focal points in the next step in party rectification in the prefectures, cities, and counties. He said: The tasks and focal points in the next step are to correct the new unhealthy trends, strengthen party spirit and discipline, promote and ensure reform, uphold the principle of invigorating the domestic economy and opening up to the world, resolutely implement the minutes of last year's central forum and the series of instructions of Comrades Hu Qili and Tian Jiyun on work in Xizang, and consolidate and develop the excellent situation in the region.
3. On correcting new unhealthy trends. Comrade Ba Sang stressed: The prefectural and city CPC committees must first seriously convey the spirit of the second-stage party rectification conference held by the Central Commission for Guiding Party Rectification. We must teach the party members and cadres to establish the idea of serving people wholeheartedly and acting as the servants of society and the people all their lives. In correcting new unhealthy trends, it is necessary to act according to the spirit of self-investigation and correction and thoroughly investigate the specific expressions of new unhealthy trends in the different areas and units. Having conducted the investigation, in all cases where the policy demarcation lines are clearly defined, it is necessary to strictly enforce orders and prohibitions and resolutely correct the unhealthy trends.
4. On investigating people of three categories and strengthening the building of the leadership groups and the third echelon. Comrade Ba Sang said: The key to this investigatory work is to prevent people of three categories from worming their way into the leadership groups and the third echelon.

HEBEI FORUM REVIEWS SECOND-STAGE RECTIFICATION

HK010952 Shijiazhuang Hebei Provincial Service in Mandarin 2300 GMT 23 Mar 85

[Excerpts] The provincial forum on the second stage of party rectification in the province, which was held by the provincial CPC Committee, ended yesterday [23 March] afternoon.

The forum stressed that it is necessary to conduct concentrated education among party members in party spirit, ideals, and discipline. The province must achieve marked results in curing new malpractices before the convocation of the provincial CPC Congress.

The forum lasted 3 days. At the forum the participants studied and implemented the spirit of the conference held by the Central Commission for Guiding Party Rectification on the work in the second stage of party rectification, reviewed work and exchanged experiences in party rectification in the preceding stage, and studied measures for properly carrying out party rectification under the new situation.

On behalf of the provincial CPC Committee, Xing Chongzhi provincial CPC Committee secretary, delivered a speech.

The forum held that the province has carried out the second stage of party rectification for more than 4 months. On the whole, most units have done well in this respect, and have achieved more and better results than in the first stage of party rectification in thoroughly negating the Cultural Revolution and correcting professional guiding thinking. Fairly good results have been achieved in eliminating the remaining erroneous influences of the Cultural Revolution and correcting professional guiding thinking. Fairly good results have been achieved in eliminating the remaining erroneous influences of the Cultural Revolution among leading bodies, in deepening people's understanding of building socialism with Chinese characteristics, and in promoting various reforms and economic development.

However, we must not overestimate the achievements which we have made, and must realize that many problems have not yet been exposed and that many problems which have been exposed have not yet been thoroughly solved. Although some problems have been solved, the people concerned still have grievances against others. Some units engage in malpractices while curbing them, or conceal facts to curb malpractices insincerely. All this shows that the task for curbing the new malpractices is arduous.

The provincial CPC Committee demands that the province should achieve remarkable results in curbing the new malpractices before the convocation of the provincial CPC Congress. It specifically demands that concentrated education be conducted among all party members in party spirit, ideals, and discipline to basically halt all new malpractices and solve all problems which have been exposed; and that all units which have carried out party rectification should take the lead and set an example in this respect.

The forum pointed out that in order to curb the new malpractices as soon as possible, it is necessary to take effective and resolute measures; 1) We must deepen our understanding of the issue; 2) we must investigate all facts; 3) leaders must take the initiative in correcting malpractices; 4) it is necessary to seriously investigate and handle principal cases; 5) the whole party should go into action and assign responsibilities to each level, and 6) it is necessary to perfect the system and enforce discipline.

Recently some prefectures and cities have formulated some specific regulations on curbing the new malpractices. In short, they can be summarized as follows:

1. Party and government organs and cadres are not allowed to engage in business or run enterprises.
2. Illegally purchasing or selling the means of production or durable consumer goods which are supplied according to state plans is not allowed.
3. Increasing prices -- at one's discretion or in a disguised way, or driving prices up is not allowed.
4. Giving false information about costs and incomes, retaining profits which should be submitted to the state, or evading taxes is not allowed.
5. Issuing cash awards, material objects, or various allowances under any pretext is not allowed.
6. Social organizations are not allowed to expand their purchasing power or to vie with the masses for goods in short supply.
7. No department or individual may ask for or accept bribes in any form.
8. Using public funds to entertain guests or wantonly issuing souvenirs is not allowed.
9. Promoting cadres or staff members or reward titles to others at one's discretion is not allowed.
10. Practicing fraud or glossing over one's faults is not allowed.

These 10 regulations must be made known to all so that everyone can implement them and supervise and examine each other.

The forum emphatically pointed out that the new malpractices must be halted resolutely and reform of the economic structure must be carried out firmly. This is our basic guiding thinking. What merits our serious attention at present is that because we are correcting malpractices, some people dare not carry out the reform or even have suspicions about the reform. This is obviously a misunderstanding. The malpractices have disrupted the reform, and correcting the malpractices is to ensure the smooth progress of the reform. Without a pure party spirit, it is impossible to carry out the reform. This has been proved by many facts.

CPC committees and groups at all levels must seriously exercise their leadership over party rectification work in their own localities, departments, and units. In leadership style, they must give different guidance, and pay attention to summing up typical experiences so that they can be guided by typical experiences in taking every step. It is necessary to adhere to the principle of promoting economic development by carrying out party rectification and examining party rectification through economic development. We must not only avoid the situation in which party rectification disrupts economic work, but also the situation in which economic work squeezes out party rectification. At the same time, we must also adhere to the principle of simultaneous rectification and correction of defects, and the principle of correcting defects while carrying out party rectification. We must, through party rectification, bring about a new spiritual style with which we can build the four modernizations with one heart and one mind, achieve the quadruplication target wholeheartedly, and carry out reforms in full cooperation.

PLANNED PARENTHOOD WORK CONFERENCE HELD IN HEBEI

HK040402 Shijiazhuang Hebei Provincial Service in Mandarin 2300 GMT 29 Mar 85

[Text] At the provincial conference on planned parenthood work, which was held in Shijiazhuang from 24 to 27 March, the provincial CPC Committee and government pointed out that it is necessary to make a breakthrough in grasping backward units and forbidding excess births so as to achieve better results in the province's planned parenthood work.

During the conference, provincial Governor Zhuang Shunguang and provincial CPC Committee Secretary Xing Chongzhi respectively held discussion meetings. Provincial Vice Governor Wang Zuwu made a report at the meeting.

At a discussion meeting, Comrade Zhang Shuguang said that planned parenthood work is a systematic project, and therefore it is necessary to carry out the work in an all-round manner. We must not merely pay lip service to grasping both production and planned parenthood work, but must put it into action so that planned parenthood work can become our regular and routine work.

In his report Comrade Wang Zuwu said that in carrying out this year's planned parenthood work, on the basis of deepening our understanding of the problem, we must effectively associate birth control with the quadruplication target and reaching a comparatively well-off level in the people's livelihood, and properly carry out planned parenthood work centered on carrying out reform of the economic structure, achieving the four modernizations, and upgrading the people's living standard. We must link birth control with maintaining close ties between the party and the masses and with promoting stability and unity, establish the idea of serving the grassroots and the people, adhere to seeking truth from facts, and implement in an all-round manner the party's policy on planned parenthood work.

He demanded that governments and functional departments at all levels implement the spirit of relevant documents of the central leadership, do in-depth and meticulous ideological work, resolutely put a stop to excess births, and solve the problem of people marrying too early and giving birth to babies too early so as to ensure smooth progress in the province's planned parenthood work.

HEBEI PLA NEGATES 'THREE SUPPORTS, TWO MILITARIES'

HK040356 Shijiazhuang Hebei Provincial Service in Mandarin 2300 GMT 31 Mar 85

[Text] There existed among some party members and cadres of the Hebei Military District the incorrect idea that, even if they had gained no merit in the three supports and two militaries, they had worked hard at it. In view of this, in carrying out rectification and correction during second-stage party rectification, the district CPC Committee organized them to repeatedly study the resolution of the 6th Plenary Session of the 11th CPC Central Committee and the spirit of Comrade Deng Xiaoping's speech on the issue of three supports and two militaries. In conjunction with realities, they conducted special topical discussions. They not only unified their thinking and understanding and drew a clear demarcation line between right and wrong, but they also deepened education in totally negating the Great Cultural Revolution.

Through citing the wrong facts in three supports and two militaries work, they deeply felt that the gist of the three supports and two militaries was to support the so-called left. If the left was supported in this sense, surely one faction was supported and another faction was suppressed. Although some comrades subjectively wanted to treat things on an equal basis, in the circumstances of factionalism running wild, they not only could not do so but aggravated the antagonisms between the two factional mass organizations. In the past some comrades held that since they had done some good things in three supports and two militaries work, although they had no merits, they did hard work.

Through study and discussion they came to understand that the three supports and two militaries were the product of the Great Cultural Revolution and served the Cultural Revolution. The aim of our hard work was to support the Great Cultural Revolution so that it could be carried out even better, but not to oppose the Cultural Revolution. Those good things done in this period were likewise affected by wrong ideology. There basically existed nothing about merits and hard work.

In the course of study and discussion, they also clearly understood that although the PLA units conducted some positive education in the period of the Cultural Revolution, the contents of the education completely dealt with the theory, nature, and methods of the Cultural Revolution, and so on. Therefore, it was impossible for people at that time not to be affected by leftist methods. The tasks of eliminating leftist influence are likewise arduous. They all declared: We must seriously sum up the lessons for the three supports and two militaries and must really do well in individual comparison and examination to ensure the fulfillment of the party rectification tasks with high standards.

HEBEI REVIEWS COMPANIES OF PROVINCIAL-LEVEL UNITS

HK040400 Shijiazhuang Hebei Provincial Service in Mandarin 2300 GMT 31 Mar 85

[Text] At present, the work of taking stock of and sorting out companies is universally being unfolded by all departments at the provincial level. At the beginning of this year the provincial government made specific arrangements for departments at the provincial level to take stock of and sort out their companies and investigated the real situation of subordinate companies of all departments at the provincial level. According to statistics from units of 39 departments and bureaus, they had 169 companies of various kinds, of which 70 were of an administrative nature or of a semi-administrative nature, and approximately 100 were of an enterprise nature engaged in production and business activities.

Due to the fact that government administration and enterprise management had not been separated for a long time, enterprises and the economy were affected to different degrees. Manpower and financial and material resources in the majority of the approximately 100 companies of an enterprise nature were mixed up with those of administrative organs. The name of some of them fell short of reality. Some even engaged in speculation and illegal purchases and sales, indiscriminately raised prices, and did other unlawful business.

Though the work of taking stock of and sorting out at the preceding stage, these companies of the units at the provincial level have severed relations from the organs and have begun doing business independently. Some of them have been abolished and closed down. Some party and government cadres have withdrawn from these companies. All units have universally investigated the unhealthy trends of the companies. The next step will be to reexamine one by one the capital, personnel, scope of business, and the conditions of business of these companies of various kinds at the provincial level. Moreover, the experiences in the reorganization of companies will be summed up, their unhealthy trends will be corrected, and the way to streamline administrative institutions and organs will be explored.

MISSION TO U.S. DECIDES ON GRAIN PURCHASE

OW040403 Taipei CNA in English 0324 GMT 4 Apr 85

[Text] Taipei, April 3 (CNA) -- The 10th buy-American mission, which is scheduled to leave here for the United States April 16, has decided to purchase an initial amount of about 1.3 million tons of bulk grains, the Ministry of Economic Affairs [MOEA] said Tuesday. An official with the ministry said that the proposed amount for import will be able to meet the needs of the domestic market up to the end of this year.

Vice Economics Minister Li Mo indicated that the initial purchase plan as proposed by grain importers for this year includes 510,000 tons of corn, 270,000 of wheat and 540,000 tons of soybeans. However, Li stated that beginning in 1986, the import of bulk grains will be governed by a set of new rules. The MOEA is scheduled to discuss the drafting of the new rules with grain importers and experts on grain trading.

He admitted that the issue of grain imports has become very complicated, involving many interested parties here, but Li added that his ministry will listen to the opinions and suggestions to be presented at the forthcoming meeting.

EFFORTS TO CUT TRADE SURPLUS WITH U.S. NOTED

OW031355 Taipei CHINA POST in English 30 Mar 85 p 12

[Text] A local newspaper yesterday urged the government to explain more aggressively the nation's contribution to the U.S. economy and its efforts to reduce its trade surplus with the U.S., a move to cope with a U.S. threat to retaliate at Taiwan's failure to correct the trade imbalance.

American attendees at the Conference on ROC-U.S. Economic Relations held on March 27 and 28, warned that the trade imbalance and counterfeiting in Taiwan have become "political issues." If the ROC fails to take effective measures to solve the problems in time, they said, it will face retaliation from the U.S.

A commentary in yesterday's COMMERCIAL TIMES said the ROC Government should take the initiative, and more aggressively explain its efforts to solve the problems if it is to prevent the U.S. from "using political pressure to gain its economic interests."

It said Taiwan has shown the highest sincerity and has performed best in solving the problems among the United States' newly industrialized trade partners including South Korea, Hong Kong, Singapore, Mexico and Brazil.

The ROC Government has prohibited local importers of more than 400 items of consumer products, including cars and television sets, from buying from markets other than the United States and Europe, the commentary said.

It has reduced the surcharge on imported products from 20 percent to five percent and has promised to eliminate it completely by the end of this year. At the request of the U.S., Taiwan lowered import tariffs on more than 10,000 items last year, including consumer products such as chocolate. It has promised to further scale down the duties.

To reduce its trade surplus with the U.S., Taiwan has dispatched nine buying missions to the U.S. to purchase major agricultural and industrial materials such as cotton and soy beans, although sales prices in other markets were much lower.

The nation enjoys a huge trade surplus with the U.S., but deposits most of its huge foreign exchange reserves there. Investment by Taiwan people in the U.S., made through various channels, is enormous, the commentary stated. The U.S. should not ignore the ROC's contribution to its economy prosperity, it added.

The United States' other newly industrialized trade partners, however, have borrowed huge sums from the U.S. and thus become a significant burden on the U.S. economy.

The ROC has spared no effort in cracking down on counterfeiting, the commentary said. It quoted a West German newspaper as saying that Taiwan is no longer a paradise for counterfeiters. South Korea, Thailand, Malaysia, and Communist China will soon succeed to the notorious title, it said.

The newspaper attributed the ever-increasing trade imbalance between the two nations to their different trade and industrial structures and the strength of the U.S. dollar.

The U.S. should not continually blame the ROC, ignoring the efforts it has made, nor should it use politics to threaten the nation, the newspaper concluded.

TRADE SANCTIONS AGAINST S. KOREA CONSIDERED

OW031313 Taipei CHINA POST in English 30 Mar 85 p 12

[Text] The government of the Republic of China is considering imposing trade sanctions against South Korea in the wake of public condemnation of Seoul's "lack of sincerity" in improving its relations with Taipei.

Official sources said the government is seriously considering allowing local buyers of certain South Korean products to make their purchases elsewhere. At present, local importers are prohibited from buying certain products including herbal ginseng from markets other than South Korea.

The move would follow Seoul's return Thursday of a Red Chinese torpedo boat and its crew to Peking. Two of the crewmen, who staged a mutiny on board in an alleged defection bid, were also sent home, despite strong protests from Taipei. The boat drifted into South Korean territorial waters after the mutiny in which six crew members died.

An economics official has said the government may also postpone indefinitely talks with Seoul, slated for September, to complete details on the export of Taiwan bananas in exchange for South Korean pears.

The government is considering the postponement because of "changes in the situation" and Seoul's "lack of sincerity" in observing reciprocal trade, the official said. He said Seoul has asked Taipei to open a letter of credit for its purchase of Korean pears as soon as possible, although it will not consider buying Taiwan bananas until next year.

In addition, Seoul said it will buy the same volume of Taiwan bananas as the ROC's purchase of Korean pears, but not the same value, the official added.

Local auto manufacturers are demanding the suspension of compact car imports from South Korea. One manufacturer said the nation has imported over 2,400 units since 1979 and agreed recently to buy another 1,200, but South Korea has not been able to live up to its promise to buy auto parts from Taiwan.

Another source said the Telecommunication Administration had decided in principle not to renew a technical agreement with South Korea which expires this year.

Business and industry here are also complaining about Seoul's pro-communist policy which, they said, has resulted in reduced trade between the two nations. Trade between the two nations decreased from U.S. \$581 million in 1981 to less than U.S. \$400 million in 1983. Last year bilateral trade bounced back to U.S. \$470 million as a result of increased imports by Taiwan.

Although South Korea is the only Asian nation which has diplomatic relations with the ROC, trade value between the two nations last year was the third smallest of the ROC's bilateral trade with Asian nations.

The ROC has long suffered a trade deficit with South Korea, with the deficit at about U.S. \$14 million in 1984.

PREMIER SWEARS IN NEW ECONOMICS MINISTER

OW020919 Taipei CHUNG KUO SHIH PAO in Chinese 29 Mar 85 p 2

[Text] Premier Yu Kuo-hua yesterday urged new Economic Affairs Minister Li Ta-hai to create a new phase in reestablishing domestic economic discipline, improving the investment environment, and consolidating state-run enterprises and to liberalize and internationalize the country's economy in the course of its development.

Li Ta-hai, together with Chao Yao-tung, chairman of the Commission for Economic Construction under the Executive Yuan, and Wang Chao-ming, Tsui Chu-kan, and Yeh Wan-an, vice chairman of the commission, were sworn in at an oath-taking ceremony at the Executive Yuan auditorium at 0830 on 28 March. Premier Yu presided over the ceremony on behalf of the president.

Premier Yu Kuo-hua pointed out: Li Ta-hai has served as general manager and board chairman of the Chinese Petroleum Corporation for many years. He has rich experience in business management and has made great contributions to overcoming our country's energy crisis. Various circles have expressed great hopes for him in his new post.

AUDIT MINISTER REPORTS 1984 ECONOMIC PERFORMANCE

OW280403 Taipei CNA in English 0238 GMT 28 Mar 85

[Text] Taipei, March 27 (CNA) -- The Republic of China's gross national product in 1984 amounted to NT dollar 2,124.47 billion (U.S. dollar 53.11 billion), representing an increase of 11.69 percent over the preceding year, according to Audit Minister Chang Tao-ming.

The national income last year totaled NT dollar 1,948.52 billion, up 11.8 percent from the year before, per capita income rose to NT dollar 104,040, up 10.14 percent, and domestic capital formation reached NT dollar 478.47 billion, up 11.5 percent, he said.

Chang gave these statistics while testifying at a meeting of the Legislative Yuan Tuesday. He analyzed the audit of the general budget of the central government and its subordinate agencies in fiscal 1984.

The government revenue for fiscal 1984 registered a decline of 1.04 percent, a negative growth that had never before occurred in recent years. And the government expenditures for that year also dropped 1.04 percent. However, Chang attributed it to the tightening of spendings by the government in the year.

Although both the world and domestic economy began gradual recovery in fiscal 1984, the revenue of the national treasury has not yet benefited from the economic recovery, Chang noted. He stressed that, from a long-range point of view, this country, under the guidelines of liberalization and internationalization, should coordinate with the economic situation both at home and abroad, plan ahead the nation's developmental directions and the effective use of the national resources to start a new cycle of rapid growth for the ROC economy.

WU XUEQIAN ON HONG KONG ISSUE AT NPC SESSION

HK040540 Hong Kong TA KUNG PAO in Chinese 4 Apr 85 p 2

["Special Dispatch": "Wu Xueqian's Report at NPC Session on the Hong Kong Issue"]

[Text] Beijing, 3 Apr -- State Councillor and Foreign Minister Wu Xueqian's report entitled "An Explanation of the Sino-British Joint Declaration on the Question of Hong Kong To Request Its Examination and Approval" will be heard at today's NPC session. The following is the full text of his report:

Fellow deputies: On 19 December 1984, Premier Zhao Ziyang and British Prime Minister Margaret Thatcher, on behalf of their respective governments, officially signed the "Joint Declaration of the Government of the People's Republic of China and the Government of the United Kingdom of Great Britain and Northern Ireland on the Question of Hong Kong." Earlier, on 26 September 1984, the heads of the delegations of the two governments initialed the "joint declaration." Entrusted by the State Council, I reported on China's basic principles and policies concerning the settlement of the Hong Kong question, the proceedings of the Sino-British negotiations, the agreements reached, and other relevant matters at the Eighth Session of the Sixth NPC Standing Committee on 6 November 1984. The NPC Standing Committee session expressed satisfaction over the work done by our government in settling the Hong Kong question, and agreed to all the documents in connection with the "joint declaration" initialed by China and Britain. The official "joint declaration" is identical to initialed version. In accordance with a 14 November 1984 resolution of the Eighth Session of the Sixth NPC Standing Committee, Premier Zhao Ziyang submitted the official "Joint Declaration of the Government of the People's Republic of China and the Government of the United Kingdom of Great Britain and Northern Ireland on the Question of Hong Kong" and its three annexes to the NPC for deliberation and approval.

In view of the fact that my report at the Eighth Session of the Sixth NPC Standing Committee is regarded as a document to be presented to this session for examination and approval, on behalf of the State Council, I will herewith submit a brief explanation of the following relevant questions:

Hong Kong, which includes Hong Kong Island, Kowloon, and the "New Territories," is part of China's sacred territory from the past. Recovering Hong Kong and upholding the reunification and territorial integrity of our country is the common desire of the descendants both here and abroad of the Huang and Yan emperors, and has been for the past 100 years or so. The "joint declaration" officially signed by the Chinese and British Governments has affirmed that the People's Republic of China will recover Hong Kong and resume sovereignty over it on 1 July 1997. It has also stipulated relevant measures for maintaining stability and prosperity in Hong Kong. It has thus satisfactorily settled the issue left over from history between China and Britain, and it completely conforms to the fundamental rights of all Chinese people, including Hong Kong compatriots. A job that all previous governments in old China failed to undertake has finally been accomplished by the government and people of the PRC under the leadership of the CPC. This is an important achievement in New China's foreign affairs, as well as the result of friendly cooperation between the Chinese and British Governments.

In his "government work report" delivered at the Second Session of the Sixth NPC on 15 May 1984, Premier Zhao Ziyang explicitly pointed out: China's reunification and rejuvenation are sacred tasks entrusted to us by history. China will resume the exercise of its sovereignty over Hong Kong in 1997. **This** is a firm policy decision.

After we resume sovereignty, we will adopt a series of special policies toward Hong Kong, which will remain unchanged for 50 years in order to maintain stability and prosperity in Hong Kong. Those policies include: In accordance with Article 31 of the PRC Constitution, a Hong Kong Special Administrative Region will be established, which is to be governed by local inhabitants of Hong Kong and which will enjoy a high degree of autonomy; the current social and economic systems and the lifestyle in Hong Kong will remain unchanged; Hong Kong law will basically remain unchanged; Hong Kong will retain its status as a free port and an international financial and trade center, and may maintain and develop economic relations with states, regions, and relevant international organizations; and the economic interests of Britain and other countries in Hong Kong will be given due regard. The aforesaid basic principles and policies of the Chinese Government toward Hong Kong have been announced and specifically explained by our government in the "joint declaration."

The concept of "one country, two systems" -- China's guiding principle in formulating its basic principle and policies on Hong Kong -- was advanced by Chinese leaders on the basis of the ideological line of seeking truth from facts, and respecting history, and giving due consideration to the present situation. China is implementing the concept of "one country, two systems" with the idea that socialism is the mainstay. To let Hong Kong keep its capitalist system for 50 years will not harm China's socialism but will play a complementary role in benefiting China's socialist construction. The concept of "one country, two systems" is our firm national policy for reunifying our country. Facts have proven and will continue to prove that this concept is entirely feasible and full of vitality.

The signing of the Sino-British joint declaration and the successful settlement of the Hong Kong question are a milestone in the modern history of China as well as in the world. This marks a big step forward in the Chinese people's endeavor to attain the great goal of reunification of the motherland. This will have far-reaching influence on the efforts for an early end to the separation between Taiwan and the mainland and for the complete reunification of the motherland. This also provides fresh experience for peacefully settling international disputes, in particular, outstanding historical problems between states. This has not only obtained the support of the people throughout China, including the broad masses of Hong Kong compatriots, but has also been widely welcomed and appreciated by the international community.

The success of the Sino-British negotiations should be attributed to the wise policy decisions of the leaders of the two countries and the joint efforts made by the two governments. With the settlement of the Hong Kong issue, the existing relations of friendship and cooperation between China and Britain have entered a new historical period. The Chinese Government is full of confidence for a bright future in further developing the relations between the two countries.

Following the completion of the legalities for ratifying the joint declaration on the Hong Kong question, instruments will be exchanged in Beijing between China and Britain before 30 June 1985 to put the declaration into effect. From the date the declaration comes into effect, Hong Kong will enter a period of transition. During this transition period, the British Government is to be responsible for the administration of Hong Kong, and the Chinese Government will cooperate. According to the agreement, in order to effectively implement the "joint declaration" and ensure the smooth transition of political power in 1997, a Sino-British joint liaison group will be set up to exchange information and consult on relevant matters when the joint declaration takes effect. Meanwhile, a land commission made up of Chinese and British officials will be established in Hong Kong to deal with leases and related matters. The all-round implementation of the "joint declaration" accords with the common interests of China and Britain.

The Chinese Government will make unremitting efforts to carry it out in an all-round manner. It is our conviction that based on the spirit of friendship and understanding, China and Britain will continue to cooperate closely and effectively to achieve the aforementioned common goal.

At present, China is entering a new historical period. The political and economic situation in the whole country is extremely fine. The prosperity of the motherland constitutes an important guarantee for Hong Kong's stability and prosperity. Since the signing of Sino-British joint declaration, stability in Hong Kong has remained, its economy has prospered, and its various undertakings have developed. We deeply believe that the Hong Kong compatriots, who are imbued with the tradition of patriotism, will continue to bring into fully play their spirit to become the masters of their own affairs, and will make fresh contributions to Hong Kong's stability and prosperity with their own wisdom, talent, and hard work.

Fellow deputies: This is my brief explanation of the Sino-British joint declaration on the question of Hong Kong on behalf of the State Council. I request that the NPC session examine and discuss all documents in connection with the official signed joint declaration, including my report delivered at the NPC Standing Committee session in November of last year.

XU JIATUN SPEAKS AT NPC PANEL ON HONG KONG

HK041000 Hong Kong HSIN WAN PAO in Chinese 4 Apr 85 pp 1, 4

["Special Dispatch": "'One Country, Two Systems: The Cornerstone for Solving the Hong Kong Issue' -- Speech by Xu Jiatus at NPC Panel Discussion Today"]

[Text] Beijing, 4 Apr (HSIN WAN PAO) -- Xu Jiatus, director of the XINHUA Hong Kong service, delivered a speech entitled "One Country, Two Systems: The Cornerstone for Solving the Hong Kong Issue" this morning at the Hong Kong-Macao NPC group's panel discussion. The following is the full text of his speech:

Through amicable negotiations, the Chinese and British Governments concluded and officially signed an agreement on the question of Hong Kong, thus satisfactorily solving an issue left over by history more than 140 years ago. This is a great event in the modern history of China as well in the modern history of the world.

The Sino-British joint declaration has been welcomed and endorsed by the Hong Kong compatriots and appreciated by British friends and other foreign friends in Hong Kong. They hold that the Chinese Government's principle and policy on the solution of the Hong Kong issue are reasonable and in keeping with the principle of seeking truth from facts, and have taken into consideration not only the historical conditions and status quo of Hong Kong but also the demands and interests of all circles in Hong Kong. The Sino-British agreement concluded on this basis is an agreement of friendship and rationality which can be taken as a good example. The agreement will have a place in history as a brilliant document and will have a far-reaching impact on international relations in the future.

The reason why the Sino-British agreement has been extensively acclaimed is because it has not only given a concrete and reasonable definition of the future status of Hong Kong but also has embodied an essential guiding ideology for contemporary political activities, namely, the principle of "one country, two systems."

The principle of "one country, two systems" is the guiding ideology which we have upheld in solving the Hong Kong issue and the fundamental principle to which we will adhere in striving for the reunification of the motherland.

In the course of the development of human society, nobody has ever put forth in definite terms such a principle as a political mode and a guiding principle. It cannot be denied that the CPC has done pioneering work in putting forth the principle of "one country, two systems" as the guideline for the reunification and construction of the motherland. For this reason, the principle of "one country, two systems" drew wide attention and aroused discussions among people in the world as well as in Hong Kong soon after it was put forth. Many scholars, specialists, and social activists have expounded on and proved the importance and feasibility of this idea, on different levels and from different perspectives. They have held theoretical discussions, made analyses based on facts, voiced their opinions on specific policies, and set forth practical proposals. This is an academic discussion which has given full play to the spirit of democracy and a political study which is of highly practical significance. Although all the people are not of a completely identical opinion and understanding, they all acknowledge that the idea of "one country, two systems" is of great importance and far-reaching significance.

In putting forth the principle of "one country, two systems," the CPC has displayed its work style of seeking truth from facts and its open and aboveboard attitude.

Our determination to implement the principle of "one country, two systems" shows that we set the reunification of the motherland and the rejuvenation of China as our supreme goal. Under this banner, all parts of Chinese territory should be reunified and all descendants of the Chinese nation must unite to strive in unison for the well-being of the people and the prosperity of the country. The existence of two different social systems on Chinese territory is a reality left over by history. The two systems are contradictory to each other in some aspects. But these contradictions are by no means insurmountable. The reunification of the country and the rejuvenation of the nation is the most lofty mission and the greatest cause for generations to come. The two social systems should be allowed to coexist so that they can give full play to their own strong points and make their own contributions to the rejuvenation of the Chinese nation. This important strategic decision, adopted out of a high degree of patriotism and a high sense of national responsibility, is in keeping with the long-term interests of the state and the nation.

The implementation of "one country, two systems" shows that we regard the wishes of the masses of people as the fundamental basis for formulating our policies. Since the Hong Kong issue was raised, our party and state leaders have time and again met representatives from various circles in Hong Kong and carefully listened to their opinions. Our comrades working in Hong Kong also carried out diverse kinds of investigation and study and made widespread contacts with people in various circles. On this basis, our government decided on a series of principles and policies for solving the Hong Kong issue and clearly stipulated that "after the establishment of the Hong Kong Special Administrative Region, the socialist system and policies will not be implemented there and Hong Kong's existing capitalist system and lifestyle will be maintained unchanged for 50 years." When we were solving the Hong Kong issue, we fully respected the wishes of our Hong Kong compatriots and, in the future when Taiwan returns to the motherland, we will also fully respect the wishes of our Taiwan compatriots. This embodies the greatest freedom of political faith and also embodies our principle and desire to follow the wishes of the masses of people.

The implementation of "one country, two systems" shows that we uphold the fundamental stand of using peaceful means to solve the problems left over by history. In the current world, we uphold using peaceful methods to resolve all international disputes, all territorial disputes, and all contradictions between different countries and between different areas, and thus avoiding resorting to force.

Regarding the issue of the reunification of our motherland, we even more earnestly hope to realize the unification through peaceful methods and think that it is entirely possible to achieve this. "One country, two systems" is the cornerstone for the peaceful realization of the reunification of our motherland. It was precisely because of this commanding principle that the Chinese and British Governments were able to speak frankly and sincerely, acted with mutual understanding and accommodation, cooperated in a friendly way with each other, and eventually reached an agreement. This shows that as long as the two parties are sincere, respect each other, proceed from reality and seek truth from facts, all international disputes can be peacefully solved and the reunification of motherland can be peacefully achieved. Concerning the issue of Taiwan's return to the motherland, what even particularly complex problems cannot be solved through negotiations as long as Taiwan's capitalism is unchanged by the mainland's socialism and vice versa?

The implementation of "one country, two systems" also shows that we uphold the basic attitude that the two kinds of systems contact each other, conduct exchanges with each other, and learn from each other. In the international domain, we have already established widespread economic relations with the various capitalist countries in the world. In the future, in the domestic domain, there will also be closer contacts between the mainland's socialism and Hong Kong's and Taiwan's capitalism. These contacts will be conducive to both socialist modernization and the prosperity of the capitalist economies. From the mainland's point of view, in order to speed up the progress of the four modernizations, we must be brave to learn and be good at learning. We should not only study the historical experiences of socialist construction, but should also learn from the advanced capitalist science and technology, and economic management methods. As an international financial and trade center, Hong Kong will serve us as a window to observe world economic trends, as a link for establishing economic relations and carrying out trade with the world, as a bridge to draw in advanced technology and equipment, and a base to train economic management personnel. On the other hand, the motherland's prosperity and success in its modernizations will vigorously support Hong Kong's stability and prosperity.

From the above we can see that putting forth policy of "one country, two systems" was a major, creative policy decision, has drawn up an unprecedented political blueprint, and constituted a strategy for our country's construction based on the interests of our country and on our national feelings. Provided with such a guiding principle, we will more smoothly achieve the reunification of our motherland, the gathering force of our country and nation will be further strengthened, and an enlightened, progressive, unified, united, and great China that can take in everything and that is full of vigor will appear.

The principle of "one country, two systems" has begun to serve as a scientific conception pointing to the direction for the reunification of our motherland. Now, through the Sino-British agreement on the Hong Kong issue, this conception has already become a political plan and a political institution that we are determined to realize and to succeed in realizing 12 years from now. In the face of this new task, we must deeply understand the great significance in the conception of "one country, two systems" and we must be fully and mentally prepared for the actual implementation of "one country, two systems." At present, some of our Hong Kong compatriots have some doubts about whether the principle of "one country, two systems" will be actually implemented, though they support this principle. First, they think that socialism and capitalism are two diametrically different systems and wonder whether confrontation and conflicts will occur between the two systems within a certain period.

Second, they think that the predominant system in our country is socialism and that capitalism is only implemented in a very small minority of areas. Under certain circumstances, will socialism "elbow out" or "swallow" capitalism? Third, they think that the basic law of our motherland is socialist in nature, and wonder whether this basic law can provide an adequate legal basis for the existence of capitalism. Fourth, they wonder whether the mainland will send a large number of personnel and establish a large number of organizations in Hong Kong after Hong Kong's future status is decided and thus put a heavy burden on the Hong Kong community. All these worries show that Hong Kong compatriots endorse and support the principle of "one country, two systems," but they are apprehensive of "change" and "disorder," and they fear that this policy cannot be persistently or correctly implemented.

We must and will certainly be able to implement the concept "one country, two systems" as it is one of our national policies. This is because the Chinese Government has solemnly declared this policy decision to the world. Moreover, this policy decision accords with the interests of the state and nation and is cherished by the people of mainland, Hong, and Taiwan. No one can alter a policy decision which is supported by the masses. There are certain contradictions between the socialist system and the capitalist system. However, on the premise of safeguarding the overall and long-term interests, these contradictions can be solved within a sovereign state. In order to carry out the concept "one country, two systems," the special administrative region will enjoy a high degree of autonomy. Except for foreign affairs and defense which are the responsibility of the central people's government, the special administrative region will be vested with executive, legislative, and independent judicial powers, including final adjudication. This guarantees the continuity and operation of the capitalist system. Naturally, we must rely on the efforts of the compatriots in Hong Kong and on the mainland to implement the concept "one country, two systems." Therefore, I propose that following its examination and endorsement at the current NPC session, the Sino-British agreement should be widely publicized among the masses and cadres at all levels. We must expound on the great significance of the concept "one country, two systems," explain the contents of the Sino-British agreement, and introduce the circumstances of Hong Kong so that all of us can get a general picture of Hong Kong's current situation and future. Hong Kong has always been Chinese territory. The Hong Kong compatriots are our flesh and kin. We must warmly welcome their return to the embrace of the motherland after being separated for more than 1 and 1/2 centuries. During these long years, the Hong Kong compatriots have preserved the cultural traditions of the Chinese nation and cherished a deep affection for the motherland. They expect economic development, enlightened politics, the people's happiness, and social progress in the motherland. They are also willing to make contributions to the building of the four modernizations so as to make the country strong and prosperous. However, Hong Kong's current society, economic system, and way of life differ greatly from those of the mainland. The existence of two systems should not be an obstacle to the unification of the state's sovereignty, nor should the differences of the two systems be neglected for the sake of the unification of the state's sovereignty. The Hong Kong compatriots should further understand their motherland. The compatriots in the mainland should also further understand Hong Kong. After the Sino-British agreement is signed and officially put into effect, there will be closer economic and cultural exchanges and contacts between Hong Kong and the mainland. We should welcome such exchanges, carry out such exchanges in a planned and organized manner, and prevent confusion. We must love Hong Kong and all work concerned should be advantageous to Hong Kong's stability and prosperity.

The key to the implementation of the concept "one country, two systems" lies in earnestly drafting the "basic law." In accordance with Article 31 of the Constitution, the Hong Kong Special Administrative Region will be established after 1997.

In order to provide a legal basis for the concept "one country, two systems" and concretize China's principles and policies on Hong Kong, we should have a local code that suits Hong Kong's circumstances. After the session, I hope that a drafting committee will be formed under the leadership of the NPC Standing Committee to study and draft the "basic law." I also suggest that Hong Kong representatives be included in the drafting committee so that people with different views can fully reflect the aspirations of the Hong Kong compatriots. In the course of drafting the "basic law," we should extensively listen to the opinions of the Hong Kong compatriots in an organized manner, encourage the free airing of views, and draw on collective wisdom and absorb all useful ideas so that the "basic law" can reflect Hong Kong's actual reality and the demands of all respects. I believe the drafting of an explicit and perfect "basic law" will be conducive to the administration and social order of the Hong Kong Special Administrative Region, to Hong Kong's long-term stability and prosperity, and to the implementation of the concept "one country, two systems."

ARTICLE NOTES 'LIVELY' NPC, CPPCC MEETINGS

HK031436 Hong Kong HSIN WAN PAO in Chinese 2 Apr 85 p 1

["New Talk" column: "Children of High-Ranking Cadres, Special Zone Currency"]

[Text] News from Beijing indicates that the NPC and national CPPCC meetings currently under way are being held in a lively manner. Delegates and members are active in airing their views and offering criticisms and suggestions.

People's delegates talked about their personal experiences in understanding Premier Zhao Ziyang's report. They noted the importance of the instruction to "be resolute, be careful in launching the first battle, and strive to win it." They agreed that the economic situation is excellent and that difficulties and problems remain secondary. Delegates had been worried that the excessively rapid development of the economy would make people hotheaded. But after listening to the report, they "felt at ease, were relieved, set their minds at rest, and were satisfied."

Some delegates criticized the report. For example, Guizhou delegate Wen Mingxian said: The phrase "to have more than enough food and clothing" in the government work report and the phrase "to guarantee an ample supply of goods in the off season and to have more goods in the peak periods" in Song Ping's report seem a little excessive. I suggest that we should not make such unconditional remarks as the situation in the localities is not necessarily the same as that described in the reports.

Heilongjiang delegate Liu Hua said: Apart from the causes related in the government work report, problems in reforms have arisen due to bureaucratic work style, to lacking a practical attitude, and to technical faults. We should draw experience from this and solve these problems in a timely manner.

Beijing delegate Fu Chunming indicated: The children of some leading cadres have stirred up serious unhealthy trends. It will solve no problems to punish them lightly by just fining them or reducing their bonuses. All men should be equal before the law.

Originally, the CPPCC meeting was scheduled to close this Saturday. As the number of members who will speak is larger than expected, the meeting will be extended until next Monday.

Yesterday 10 members spoke, making constructive suggestions on the economic structural reform, correcting unhealthy trends, implementing the policy on intellectuals, solving current problems in education, and the issuing of a special zone currency.

Qian Weichang, ex-professor at Qinghua University and now president of the Shanghai Industry University, criticized two major problems in university education, saying that the quality is uneven and the administration is overstaffed. He particularly opposed the practice of running "typical universities."

Huo Maozheng, a female teacher who has engaged in primary school education in Beijing for over 40 years, pointed out: The present situation of the teachers contingent is unstable because the problem of the social position of middle school, primary school, and kindergarten teachers remains unsolved. This year, the government has designated 10 September as "Teachers' Day." We hope that this will not be observed only as something unusual but will produce practical results.

Obviously, the special zone currency is a problem of common interest in and outside the meeting. Chen Muhua, the newly appointed president of the People's Bank of China, and He Chunlin, director of the State Council's Special Economic Zone Office dealt with this problem while meeting some reporters, saying that the problem was being studied and that the time and method for issuing the currency had not been decided. From the way they spoke, we know that the departments concerned have not reached unanimity of opinion on this problem.

Yesterday, two Hong Kong CPPCC members spoke, each airing different views on the special zone currency. T.K. Ann agreed with issuing the special zone currency, maintaining that economic means should be adopted to solve problems, whereas Li Tse-Chung was in favor of retraining one currency, saying that different currencies will bring about drawbacks and that even the current foreign exchange certificates should be withdrawn from circulation.

Although there is no unanimity of views on this problem, everybody is worried about the confusion in the value of currencies in the Shenzhen Special Economic Zone. Economist Qian Jiaju said: The Hong Kong dollar openly circulates in Shenzhen and some people refuse to accept the renminbi. There is a great disparity between official foreign exchange rates and black market rates. We hope that the State Council will pay adequate attention to this problem and solicit opinions from specialists so as to work out a policy to tackle it.

New evil tendencies emerging over the past 6 months such as some children of high-ranking cadres illegally running businesses and engaging in foreign exchange activities on the black market have been brought into the open and place on the table. The wind of reform has also blown into the two meetings. This is another symbol of China's progress.

WEN WEI PO VIEWS 'OMNIDIRECTIONAL' DIPLOMACY

HK031107 Hong Kong WEN WEI PO in Chinese 3 Apr 85 p 2

[Dispatch from correspondent Chang Chien-hua: "View of Foreign Diplomatic Circles in China Is That China's Diplomacy Has Become More 'Omnidirectional,' With Focus on Three Regions This Year"]

[Text] Beijing, 2 Apr -- Foreign circles in China universally hold that this is the year China is striving to make her foreign relations more "omnidirectional," the Soviet Union, Southeast Asia and Western Europe being the three main points of emphasis in its diplomacy this year.

This year, top-ranking Chinese leaders will be busy traveling abroad. Apart from General Secretary Hu Yaobang's April visit to five Oceanian countries, NPC Standing Committee Chairman Peng Zhen's April trip to Japan, and Premier Zhao Ziyang's June tour of Western Europe, President Li Xiannian has scheduled a trip to the United States for July. In

addition, Vice Premier Yao Yilin's June visit to the Soviet Union and Foreign Minister Wu Xueqian's April trip to Indonesia to attend the Bandung Conference will all count in the arena of international diplomacy this year.

As far as Sino-U.S. relations are concerned, Li Xiannian will be China's first head of state to visit the United States. It was learned that U.S. Vice President Bush will visit China this year. Contacts and exchanges between top-ranking leaders on both sides reflect the willingness of the governments of the two countries to continue the steady development of friendly relations between them in a situation in which "obstacles" (the Taiwan problem) still exist. Trade and scientific and technical cooperation between China and the United States will continue to grow. Negotiations on textile exports to the United States will also start soon.

Due to a change in the Supreme Soviet leadership, there has recently appeared a noteworthy change in Sino-Soviet relations. Foreign diplomatic circles in China have universally noted the following situation: Arkhipov was not authorized to talk about politics during his visit to China, but Vice Premier Li Peng, on his visit to the Soviet Union, stressed a desire for the development of relations in the political, economic, commercial, and technical fields. But they think that unless tremendous changes take place in the world situation, there will be absolutely no possibility of a return to the kind of close relations between China and the Soviet Union witnessed in the 1950's. On his visit to the Soviet Union in June, apart from signing a long-term 5-year trade agreement, Yao Yilin will discuss things other than trade. But it seems too early to predict a quick turn for the better in the relations between the two parties of China and the Soviet Union. "China hopes that it and the Soviet Union will become good neighbors and not allies." This line actually reflects China's whole strategic idea in handling her relations with the Soviet Union. But foreign diplomatic circles point out that the East European bloc, led by the Soviet Union, is a vast potential export market for China's light industrial products. China also needs timber and machinery from Eastern Europe. The rapid growth of bilateral trade can be expected.

NPC Standing Committee Chairman Peng Zhen will, allegedly, address the Japanese Diet during his visit to Japan. This trip will help strengthen the friendly relations that have gradually "matured" between China and Japan.

Premier Zhao Ziyang's trip to Britain, West Germany, and other countries is a matter of great concern to the people of Hong Kong. This will be the first contact between the top leadership of China and Britain since the completion of formalities regarding approval of the joint declaration on the future of Hong Kong by the legislatures of China and Britain. It is very likely that before this visit, China and Britain will exchange documents on the declaration ahead of schedule. Foreign diplomatic circles in Beijing also specially stress the significance of Zhao's visit to Western Europe as far as trade is concerned. They point out that West Germany and Britain are China's largest trading partners among West European countries. This, coupled with their far greater enthusiasm than Japan for exporting advanced equipment and technology to China, will put Western Europe in a more favorable position, given China's current development of a global trade market and attention to trading by various means.

Wu Xueqian will head for Indonesia to attend the Bandung Conference this month. So far, of the 80-plus countries invited to attend the conference, 45 have accepted. The Indonesian side has dropped hints that it will not, during the conference, discuss the question of diplomatic relations between the two countries with the Chinese representative. But it is predicted in quarters outside Indonesia that as Wu Xueqian is the first Chinese foreign minister to visit Indonesia after an 18-year freeze in diplomatic relations between the two countries, it will surely bring about a turn for the better in the relations between the two countries.

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